

O/104/12

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION 2548569
BY WWW HOLDING COMPANY LTD TO REGISTER THE TRADE MARK**



IN CLASSES 16 AND 38

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 101049
BY COBRA ELECTRONICS CORPORATION**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2548569
By WWW Holding Company Ltd to register the trade mark**



and

**IN THE MATTER OF opposition thereto under No 101049 by Cobra
Electronics Corporation**

BACKGROUND

1. On 24th May 2010 WWW Holding Company Ltd ('HC') applied to register the mark as above in classes 16 and 38. The specification reads as follows:

Class 16

Telephone cards (not encoded); vouchers; vouchers of value; paper, cardboard and goods made from these materials, not included in other classes; printed matter; photographs; stationery; plastic materials for packaging (not included in other classes).

Class 38:

Consumer telecommunication services, namely telecommunications services provided for the purposes of international telecommunications using cellular and fixed telecommunications devices; telecommunication carrier services; providing voice over Internet Protocol services via fixed line and cellular telecommunication platforms.

2. The application was allocated number 2548569 and was published in the Trade Marks Journal on 9th July 2010. On 11th October 2010 Cobra

Electronics Corporation ('Electronics') lodged an opposition against it in respect of all the goods and services specified above.

- Electronics has opposed on the basis of sections 5(2)(b), 5(3) and 5(4)(a) of The Trade Marks Act 1994 ('the Act'). In relation to the grounds under section 5(2)(b) and 5(3) it cites the following earlier trade mark:

Mark. Filing and registration dates	Goods relied upon
UK 1237109 COBRA 5 th March 1985 25 th February 1987	Class 9 Telephone, radio communications and radar apparatus and instruments; detection apparatus and instruments.

- In its statement, Electronics says HC's mark incorporates the whole of its mark in a visually dominant manner. The term 'INTERNATIONAL CALLING CARD' is descriptive in HC's mark and 'LYCATEL' and 'www.lycatel.com' are visually negligible in the mark. It is well established that, for word and device marks, the word element will be the more dominant and distinctive and thus, in HC's mark, the word COBRA is the distinctive, dominant element. Phonetically and conceptually the marks are very similar, as the additional matter in HC's mark is either, (a) descriptive, (b) visually obscure and thus unlikely to be enunciated (in the case of the LYCATEL related matter) or (c), again, in the case of the LYCATEL related matter, has no conceptual meaning.
- As far as the goods and services are concerned, Electronics says the goods and services of HC are closely similar, in the sense of being complementary to its own. It also observes that, as far as it is aware, there is no history of lengthy co-existence in the market as regards the goods and services. In summary, and in particular taking into account CJEU case law in relation to distinctive and dominant elements of composite marks, there is a likelihood of confusion.
- Under section 5(3), Electronics relies on the same earlier mark and says it has the required reputation in the COBRA mark, and use by HC of its mark may give rise to all the respective heads of damage under section 5(3), namely, free riding (unfair advantage), damage to the repute of its mark (as it would have no control over the quality of goods and services of HC), and dilution of the distinctiveness of its mark.

7. Under section 5(4)(a), Electronics says it first used the COBRA brand in relation to consumer communications and navigational electronic equipment in the UK in 1992. The brand has been used continuously since that date. It therefore has the required goodwill at the relevant time and use by HC of its mark would constitute misrepresentation, leading to damage.
8. HC filed a counterstatement denying the grounds of opposition.
9. Firstly, however, it expressly does *not* put Electronics to proof of use of its own mark.
10. Then it says, as regards the comparison of the marks, its mark is a composite mark having a number of elements and 'get up' that comprise an overall design. It would be wrong to simply isolate the 'COBRA' element. It disputes that word elements in composite marks must systematically be regarded as being more dominant and distinctive than graphic elements. As regards the graphic elements in its mark, it regards the aircraft device as the most dominant feature of its mark. It says its mark seeks to protect the whole of the fascia of its card (against counterfeiting), of which the 'LYCATEL' designations and logo are of equal importance to its customers as the 'COBRA' element.
11. Phonetically, the marks are different as its mark will be referred to by consumers as a 'LYCATEL COBRA Calling Card'. This is especially true as its mark is presented in small retail outlets where the word 'COBRA' may be insufficient to identify the product the consumer wants; the same word is, for example, used to designate a common alcoholic beverage.
12. Conceptually, the respective marks are different as the opponent's mark is used in expensive and specialised equipment with a Cobra shaped reptile device element, signifying a level of quality in design and products. Its mark, in contrast, is an association of travel, distance and calling home quickly. The use of an aircraft is to 'signify speed in connection to home for the consumer'. Each of the parties' consumers are of a completely different social demographic, and this in turn leads to different conceptual references.
13. It denies the respective goods and services are similar as Electronics produce telephone and telecommunications apparatus and these are far removed from a telephone card and a related, intangible, service. The applicant and opponent have no link directly or indirectly in the course of actual trade or via their suppliers or wholesalers. The target markets are completely different.
14. Bringing the various factors together in an overall global assessment, HC says Electronic's mark is not especially distinctive as others use 'COBRA' as a mark, invariably meaning a snake. HC says it enjoys a significant

reputation as the market-leading calling card in the UK. Although Electronics may have some level of reputation for physical equipment in class 9, this reputation is founded upon use of the word COBRA together with the opponent's device element, being a snake, and not COBRA alone. By contrast, HC's 'core brand' LYCATEL is highly distinctive, both inherently and through the use it has made of the word in the UK since 2004.

15. It notes from the respective parties' websites that they are not operating in the same fields or to the same consumers. A disposable, credit-card sized calling card product, available in denominations of £5 or £10 in retail outlets, is not related in any way to the high end communications products (not including conventional telephones) sold by the opponent. The applicant's customer base is almost entirely targeted at the ethnic communities in the UK, calling relatives and friends in their countries of origin.
16. Given its own use since 2004, it denies there has been no lengthy co-existence.
17. All factors considered, it denies likelihood of confusion under section 5(2)(b).
18. It also denies the ground under section 5(3), saying the marks are not similar and nor would the respective heads of damage arise. The marks have co-existed since 2004 without the opponent, apparently, having any awareness of the existence of the applicant's mark, and so it is unlikely any damage to the repute of the opponent's mark will be (or has been) caused. As COBRA is, in itself, in common parlance, no dilution of the brand will be caused either.
19. Finally, it denies the ground under section 5(4)(a), saying there will be no misrepresentation given the other elements in its mark, especially 'LYCATEL', and the different sets of consumers. Moreover, the respective marks have traded together already for 6 years without damage to the opponent's mark.
20. Evidence was filed by both parties which, insofar as it is evidence of fact, I shall record below. Neither party wished to be heard and consequently this decision is made after a careful reading of the papers. Both parties sought costs.

The opponent's evidence

21. This takes the form of a witness statement dated 4th May 2011 from Gerald M Laures who is Vice President Finance at Cobra Electronics Corporation, incorporated under the laws of the State of Delaware, USA. The opponent started as a television repair business but has grown in the last 50 years into a leading designer of consumer electronics products, and in particular mobile communications products.

22. The company was founded in 1948 as Central Television Service Company, which then became B&K Electronics ('B&K') which branched out into the design, production and marketing of its own test equipment. Through the 1950's and early 60's, B&K, along with many other small companies, joined forces to form Dynascan Corporation ('Dynascan'). In 1963, Dynascan engineers developed the world's first citizen's band (CB) radio, the SIDEWINDER, which was shortly followed by COBRA brand CB radios.
23. The opponent's business thrived through the early 1980s, with the introduction of cordless phones and radar detectors. In 1987 the company focussed entirely on the consumer electronics market and in 1993 the corporate name was changed from Dynascan to Cobra Electronics Corporation, a decision prompted by high consumer recognition of the COBRA brand. By 1997 the company had registered double-digit revenue growth and a five-fold increase in earnings. In January 1998, James R Bizet became CEO and by 2000 the company was the top performer in the CB radio, radar detection and two-way radio categories.
24. Today the opponent's products can be found in 40,000 storefronts in North America. Electronics has a significant presence in Europe through Performance Products Ltd, a wholly owned subsidiary based in the UK.
25. Sales figures in the UK for products bearing the COBRA brand are provided from 1992 (129,782 US\$), through to 2010 (1,177,288 US\$). These figures show steady growth, although in 1996 sales were only 4,939 US\$. A peak is reached in 1999 with 1,782,876 US\$ sales, and subsequently sales fall away.
26. Exhibit GML1 is a spreadsheet setting out the figures from 1992 to 2004 by customer, of which there are five identified: Advantage UK, S& S Enterprises, Pama FOB Chi, Pama FOB Orient and Marathon Leisure. In any one year between these dates, no more than two of the above are identified as customers. The types of products sold, according to Mr Laures, during this period included telephones, radios, chart plotters (GPS device for marine navigation) and accessories of various kinds.
27. Mr Laures says 'personal mobile radios' were first sold in the UK in 2000. Despite the term 'radio', these are two-way communication devices "often used in the same way as telephones". 'Citizens band radios' were reintroduced in 2009, being two-way communications devices often included in vehicles. Exhibit GML2 is a print out from WIKIPEDIA on CB radios, showing a COBRA branded product. The article traces the history of CB radio in the UK amongst many other countries, from its popularity (but illegality) in the 1970's through to a formal allocation of bandwidth in 1981 and deregulation in 2006. CB radio was, and remains popular, in particular amongst truckers and hobbyists.

28. Electronics' spend on advertising in the UK is not particularised but it says its website, www.cobra.com, registered in 1996, receives 550 hits per month from the UK alone. Exhibit GML3 shows print outs from the website. These show use of the COBRA name alongside a stylised depiction of the recognisable snake by the same name. The company's products are listed as 'mobile navigation devices, two-way radios, radar/laser detectors, CB radios, marine electronics, power inverters, bluetooth communications and internet radios'. Mr Lares also lists the awards received by the company.
29. He then refers to a dispute between the parties involving an application by 'Lyca Tel Ltd' for the word COBRA which the opponent successfully opposed (Decision B 718 108 dated 15th January 2007 by the opposition division at OHIM). Correspondence between the parties during this opposition is exhibited, and he says www Holding Company Ltd is a non-trading company, sharing the same registered office as Lycatel Services Ltd and Lycatel Distribution UK Ltd, as evidenced by Companies House records.
30. Exhibit GML8 is a print out from the applicant's website, www.lycatelshop.com, which shows the COBRA calling card as one of a series of £5 and £30 denomination top-up cards, having different designs but invariably identified by reference to 'LYCATEL'. The words 'LYCA Mobile', 'LYCA talk' and 'LYCA Fly' are also used on the page. Despite this, Mr Lares says that prior to 2010 he was not aware of the applicant's use of its mark but this he says, does not mean consumer confusion has not occurred.
31. Finally, in terms of evidence of fact, Mr Lares says he has become aware that the company 'Lycatel Distribution UK Ltd' ('Lycatel'), who have previously distributed COBRA calling cards and are believed to be related to the applicant, had a winding up petition filed against it by HM Revenue and Customs. Additionally, OFCOM have conducted an investigation into Lycatel's advertising practices, following consumer complaints reported in Mobile Magazine and Mobile News Online (Exhibit GML9). The complaints dealt with by OFCOM relate to transparency in relation to Lycatel's terms and conditions and in particular, it would appear, the headline number of minutes available on the card and any reductions to take account of fees and/or charges. This 'negative publicity' is of concern to the opponent as any association with the business may be detrimental to the reputation for quality and innovation fostered by it.

Applicant's evidence

32. This takes the form of several witness statements. The first is dated 26th August 2011 from Milind Kangle, director of HC. He explains that HC is a holding company of what are collectively known as the 'LYCATEL' family of brands. The applicant does not have an active business role, save that of licensing its LYCATEL brands to licensees worldwide and holding

shareholdings in companies in different jurisdictions. In the UK the applicant has exclusively licensed the LYCATEL brands to Lycatel since April 2007. Prior to that, the licensee was Unitel Card Services Ireland Ltd, based in the Republic of Ireland. Lycatel is not a subsidiary company of HC; it is simply a brand licensee for the UK market.

33. The second witness statement is from Peter Michael Sykes dated 26th August 2011, in-house solicitor for Lycatel Services Ltd. Lycatel Services Ltd is a subsidiary of the applicant (unlike Lycatel), having 100% of its shares owned by the applicant since its incorporation in 2005. He explains that part of his role includes the handling of counterfeiting problems and he was responsible for the filing of this application with that in mind. He says the application before OHIM, mentioned in Mr Laures' evidence, (in the name of Lyca Tel Ltd ('Lyca Tel')) was owned by a company that ceased operations in 2006. According to Companies House records, Lyca Tel was previously called UK GT Ltd, which is a third party owned company with a remaining function of real estate management. Any residual marks owned by UK GT Ltd are, in principle, defunct and have been superseded by HC's portfolio. Mr Sykes notes that as regards the opposition before OHIM, this was for a word-only mark (as distinct from the current application) and the applicant did not file observations in reply.
34. The third witness statement is dated 18th August 2011 from Andrew England, sole director of Lycatel. He reiterates that Lycatel is not a subsidiary of the applicant but is in common ownership and is the exclusive licensee in the UK of the LYCATEL brand. It has business relationships with wholesalers who then sell its products on to sub-wholesalers or retailers for sale to end users.
35. Lycatel targets consumers who are ethnic communities, primarily those born overseas who wish to use the service to call their native country of origin. The wholesalers target these communities by onward selling to retail chains or independent retailers within these specific communities. This has led to high sales, especially of the COBRA card, which is one of several LYCATEL cards. Lycatel employees visit these retailers to ensure that promotional materials are replenished, as well as maintain good relations within the community. Exhibit AE1 shows the sales volume of the COBRA card with almost 23 million (mostly £5 denomination) sold since 2007 when Lycatel became exclusive licensee. Company accounts are supplied as Exhibit AE2. Mr England says these confirm the importance of the COBRA branded cards in the context of overall turnover. However it is not clear from these accounts what proportion of overall turnover is attributable to the COBRA cards. Mr England says he has never known of one instance of confusion between the opponent's goods and his own.
36. The fourth witness statement is dated 19th August 2011 from Richard Hohenstein, in-house solicitor for Lycatel Services Ltd. He explains that part

of his role is to work on more complex business launches in the Mobile Virtual Network Operator telecommunications sector. He has 11 years of experience in the specialised field of telecoms, having previously worked with Motorola Ltd, during which time he negotiated infrastructure contracts with international mobile network operators based on GSM and CDMA standards. For the remainder of his term with Motorola he worked with the division that designed and manufactured two-way radios. He was lead legal advisor and negotiator for projects that included: The Public Safety Radio Communication System for the UK Police Force (also known as AIRWAVE), all 13 lines of the London Underground and the Austrian Ministry of Defence. All of these two-way radio systems were based upon the TETRA standard (Terrestrial Trunked Radio).

37. From this he says that two-way radios are not “often used in the same way as mobile telephones”, as asserted by Mr Laures. Two-way radios have a distinct purpose and functionality within industry, transport, and policing, whereas mobile telephones (whether based on the GSM, CDMA or UMTS standards) are primarily used by consumers for personal, everyday communications. On that basis, there is no complementary relationship between the equipment sold by the opponent and the calling cards for which the applicant is responsible. Specifically, the applicant does not provide mobile telephone services. In order to use the applicant’s services, a consumer must have access to a telephone (typically a fixed landline) that is able to access a Public Switched Telephone Network (PSTN). The consumer will then call a fixed landline access number for onward routing of the call to the desired destination. Nothing that the opponent offers for sale provides access to a PSTN to use the applicant’s services, and on that basis the opponent’s goods cannot be complementary to the applicant’s goods or services.
38. The fifth witness statement is dated 20th August 2011 and is from Shorif Miah, sole director and share holder of Al-Halal Grocers Ltd (‘Al-Halal’). Al-Halal is a grocery and convenience store located in the London Borough of Tower Hamlets, East London and sells a variety of goods to the general public. Amongst these goods, Al-Halal sells a variety of pre-paid calling cards, including the LYCATEL branded COBRA card. Numerous other retail outlets in the area also sell these cards. These are obtained from wholesalers and promoted with posters. A large proportion are sold to Bangladeshis. In his time as a grocery retailer, Mr Miah has not experienced a customer confusing COBRA calling cards with any other product. Customers are fully aware that a COBRA calling card is a LYCATEL pre-paid calling card which is mainly used to call overseas. LYCATEL is regarded as the leading brand in the ethnic calling card market and is widely known as the producer of the COBRA card.

Opponent's evidence in reply

39. This comprises a witness statement dated 18th November 2011 from Rachel Wilkinson-Duffy, a trade marks practitioner from Baker & McKenzie LLP, acting for the opponent. She says telephone calling cards are commonly offered for sale in the UK in retail outlets which also stock the goods for which the opponent has registered protection, ie telephone apparatus and instruments. This is particularly the case in areas which are predominantly inhabited or frequented by members of the public of low income. These type of retail outlets are seen as "one stop (telephone related) shops" where consumers can purchase, modify and/or upgrade both new and second hand telephones, purchase complementary goods such as calling cards, cases, headsets etc, and in many cases obtain advice or assistance in relation to these products. By way of example, on a recent visit to Wood Green High Street, a shopping street situated in an urban area of North London, she personally observed at least three such retail outlets. In view of this, she says it is factual to say in the UK, telephone calling cards and telephone apparatus and instruments are often provided by the same undertakings and likely also to the same end users.

DECISION

Section 5(2)(b)

40. The opposition is founded upon Section 5(2)(b) of the Act. This reads:

5. - (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

(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, 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), 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. Plainly, Electronics mark is an earlier mark under the Act with a date of registration which is more than 5 years prior to the date of publication of the application. This renders it susceptible to proof of use requirements but HC has expressly not put it to proof of use and thus proof of use does not fall to be considered.

43. In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union (“CJEU”) 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;

- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, 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, and whose attention varies according to the category of goods or services in question;

- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either *per se* or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) 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;

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.

Preliminary comment

44. Much of the evidence and submission is directed to the parties' actual trading circumstances, for example the nature of HC's calling card, its particular low income or ethnic market, the differences between two-way radios and telephones and the fact that Electronic's mark is actually used with the device of a cobra snake. Whilst this is all factual material, it is well-established that in an opposition, what is required is a notional assessment based on normal and fair use of the respective marks in relation to the goods and services of the respective specifications and confined to the intrinsic qualities of the marks as registered or applied for.

Comparison of the goods and services

45. The respective goods and services are as follows:

Electronics' goods	HC's goods and services
<p>Class 9</p> <p>Telephone, radio communications and radar apparatus and instruments; detection apparatus and instruments.</p>	<p>Class 16</p> <p>Telephone cards (not encoded); vouchers; vouchers of value; paper, cardboard and goods made from these materials, not included in other classes; printed matter; photographs; stationery; plastic materials for packaging (not included in other classes).</p> <p>Class 38:</p> <p>Consumer telecommunication services, namely telecommunications services provided for the purposes of international telecommunications using cellular and fixed telecommunications devices; telecommunication carrier services; providing voice over Internet Protocol services via fixed line and cellular telecommunication platforms.</p>

Class 16

46. Electronic's position is that telephone cards (not encoded) are complementary to telephones themselves, that is to say (and in a legal sense), the goods are closely connected, such that one is indispensable or important for the use of the other.¹ A calling card cannot be used without a telephone. HC's position is that the goods sold by Electronics, primarily two-way radios, do not require calling cards. The parties' goods are not, in actuality, sold to the same customers through the same outlets and therefore there is no complementarity.

47. As I have said in my preliminary comment, this is a notional assessment. The correct comparison is between telephones in class 9 and telephone cards (non-encoded) and 'vouchers of value' (which I regard as being synonymous with 'telephone cards') in class 16. Plainly not all telephones will be used with cards, but it is nevertheless the case that the one will be indispensable for the use of the other. A telephone card is useless without a telephone and cards are purchased with the sole intention of gaining credit to make necessary calls using a telephone. The evidence of Rachel Wilkinson-Duffy is that

¹ See eg Case T-175/06 *Coca-Cola Company v OHIM* before the General Court and Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60.

telephones and telephone cards are sold in one-stop telecommunications shops. Whilst this may not always be the case, I nevertheless accept her evidence as illustrative of a particular retail environment which brings the two together. All factors considered, the case for complementarity is made out and accordingly I find the respective goods to be highly similar.

48. That leaves me with: 'Paper, cardboard and goods made from these materials, not included in other classes; printed matter; photographs; stationery; plastic materials for packaging (not included in other classes). Electronics says that absent an express exclusion of telephone cards and related goods, these goods must also be considered similar to its telecommunications goods, insofar as they encompass or are related to telephone calling cards. This suggests the terms used in class 16 are inter-related and must be interpreted in context and by reference to each other, rather than self-standing. In other words, the only way HC could have avoided a finding of similarity would have been for it to expressly *exclude* telephone calling cards from all other items in its class 16 specification. I do not accept this and no legal basis is provided for such an interpretation or assumption. None of the remaining items are physically similar to telephones, have similar purposes, are used by the same consumers or are otherwise complementary, and thus I find the remaining goods are not similar to Electronic's class 9 goods.

Class 38

49. Although Electronics accepts the respective goods and services are not identical, it says they are closely similar on the basis that consumers in the field of telecommunications (which includes the Internet) are used to companies providing a range of such goods and services. I believe there is such a pattern of trade in this sector. A company such as BT, for example; whilst providing the actual service also provides phones and other accessories under its own name. Although goods are, in their nature, fungible whereas a service is not, taking all factors into account: pattern of trade spoken of, the fact that phones are, in my experience as a consumer, often sold in shops which bear the names of service providers (such as VODAPHONE, ORANGE etc) and the otherwise close and indispensable relationship between the two, I find the services in class 38 to be similar to a high degree to Electronic's goods in class 9.

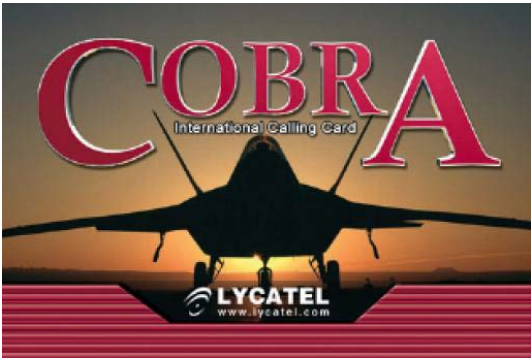
The average consumer and nature of the purchase

50. I need to assess who exactly the average consumer is and the nature of the acquisition and purchase of the respective goods and services.

51. Neither parties' goods or services are specialised (by which I mean, for example, that they will be accessed by businesses only, or by a particular group) and will, instead, be accessed by members of the public. The two sets of average consumers will inevitably, and as I have already said, overlap, in terms of their identities. People buying calling cards will often, if not inevitably, possess a telephone and those buying telephones will need the means to use that phone, of which a calling card will be one example.
52. Telephones and telecommunications services will be well considered purchases as they will often entail a comparison of features, and tariffs. Calling cards may well be somewhat less considered; what may matter more to the consumer is the particular denomination rather than the provider.
53. I will need to factor in these observations into my final analysis of likelihood of confusion.

Comparison of the marks

54. The case law makes it clear I must undertake a full comparison of the marks, taking account of visual, phonetic and conceptual similarities and dissimilarities, from the perspective of the average consumer. Marks need to be considered in their totalities and taking account of overall impression, giving recognition to any distinctive and dominant elements.
55. The marks to be compared are as follows:

Electronics' mark	HC's mark
COBRA	

56. Visually, Electronic's mark comprises the single, five letter and recognisable word 'COBRA'. It is in plain type but it is recognised that registration in plain type will cover a range of stylisation in the lettering.² HC's mark also comprises the word COBRA in large red lettering, the letters 'C' and 'A' being

² See eg BL O-387-11 BOO BOO, a decision of the Appointed Person at para 9 and the case law referred to.

exaggerated and larger than the other letters. This is set against a background of the silhouette of a fighter jet at dusk or early in the morning. As well as the word element COBRA, the mark contains other, smaller but plainly visible, verbal elements: INTERNATIONAL CALLING CARD and LYCATEL and the website www.lycatel.com. The word LYCATEL is accompanied by another device element. In visual terms, both marks either comprise or contain, in large lettering, the word COBRA and so, taking the respective similarities and dissimilarities into account I find that, visually, the marks are similar to at least a moderate degree.

57. Aurally, Electronics mark will be pronounced 'COE-BRAR' or 'COB-RAR', the 'O' being long or short. There is some debate, given the mix of verbal elements in HC's mark that a customer would ask for a 'COBRA' card or a 'LYCATEL COBRA CARD'. Both seem equally plausible as they would lead to correct identification of the product. The evidence shows a suite of cards produced by LYCATEL, each with a different background, designation or denomination. In that light it seems unlikely that a customer would just ask for a 'LYCATEL card', but is more likely to ask for a 'COBRA card' or even a '£5 card' (even though these words do not appear on the actual mark, it is clear from the evidence and from the nature of the product itself that a denomination will be present in actual use. . Both marks comprise or contain the word COBRA, and taking the respective similarities and dissimilarities into account, I find that, aurally, the respective marks are similar at least to a moderate degree.
58. Conceptually, Electronics mark will inevitably bring to mind the well-known snake of the same name. HC's is a composite mark, having different elements, some of which may have semantically recognisable origins and others not. The verbal elements with LYCATEL will have no conceptual meaning. The pictorial background design of the fighter jet will be recognisable, as will the word COBRA. The image of the fighter, which I have described as background will, to my mind, convey to the consumer the quality of speed.
59. It is not clear, however, that the concept of a COBRA will connect in any way with that of a fighter jet. Even if there such a jet going by the name of a COBRA I cannot impute such knowledge to the average consumer. The average consumer is thus unlikely to make any specific connection between the word COBRA, which I am certain most will recognise as a snake, and a fighter, beyond the vague notion of speed. On that basis, the concept of a Cobra (being the snake) will stand as an independent concept in the mark as a whole and therefore I find that the respective marks are conceptually highly similar if not entirely identical.

Overall finding of similarity of marks, including distinctive and dominant elements

60. I need to bring my individual findings together in an overall assessment of similarity, bearing in mind any distinctive and dominant elements. As I have said, HC's mark is a composite mark with a number of elements. I regard the word COBRA to be dominant in the mark; that is to say it is centrally positioned within the mark, is by far the largest verbal element and is in red. Whilst the LYCATEL matter is also present and is not negligible, it is much smaller. The fighter jet will, as I have said, be seen as attractive background on the card and perhaps to allude to the concept of speed. From the evidence, it can be seen that calling cards may have attractive pictorial backgrounds which may or may not convey some kind of message.
61. The COBRA element also stands 'independently', unaffected by the other elements. The LYCATEL elements are, as I have said, much smaller and in different script, and the fighter jet is background; neither impinges on or alters the COBRA element. The words 'INTERNATIONAL CALLING CARD' are plainly descriptive. In my view the average consumer is likely to perceive both the LYCATEL and COBRA elements as independently distinctive; perhaps the LYCATEL elements acting as a 'house mark' and the COBRA element as a secondary mark; but both will be separately distinctive.
62. Bringing together my findings above I find that, overall, the respective marks are similar at least to a moderate degree.

Distinctiveness of the earlier mark

63. My discussion above leads me into a final assessment which must be done prior to an assessment of likelihood of confusion, namely, the distinctiveness of the earlier mark. A mark comprising an invented word, such as KODAK for example, will inevitably be very high on the scale of distinctiveness, whereas a known word which has a more obvious connection with the relevant goods or services will be lower on the scale of distinctiveness.
64. Although the earlier mark has plainly been used in the UK, given the modest turnover in the UK, the limited number of outlets and a lack of specificity (in terms of whether the sales were in connection with telephones, as distinct from two-way radio devices), and finally, the modest number of hits on the website from the UK, I do not find there is enhanced distinctiveness in the UK. The earlier mark is a known word, but apparently unconnected with the goods for which it is registered, and on that basis I regard it as inherently highly distinctive.
65. I would just add that the level of inherent distinctiveness in relation to the earlier mark is not adversely affected by other traders having registered, or

even used (of which there is no factual evidence), the word COBRA as a mark.

Global assessment under section 5(2)(b) - likelihood of confusion

66. At this point I need to remind myself of my various findings and bring them together in a global assessment taking, of course, into account, the doctrine of imperfect recollection, namely that consumers rarely have the opportunity to compare marks side by side.
67. I have found the earlier mark to be inherently distinctive to a high degree. I have found the respective marks to be similar at least to a moderate degree. I have observed that the nature of the purchases and acquisitions will be well considered and that there will be overlap in terms of the identities of the respective consumers. I have also found the respective goods and services to be highly similar, similar or not similar. I must also remind myself that the nature of 'confusion', whether it be direct or indirect, for the purposes of section 5(2) does not include mere association in the sense of 'bringing to mind'.
68. Bearing all these factors in mind I find there will be a likelihood of confusion in respect to the goods and services I have found to be similar or highly similar.
69. The opposition therefore succeeds in respect of:

Class 16

Telephone cards (not encoded); vouchers; vouchers of value;

Class 38

Consumer telecommunication services, namely telecommunications services provided for the purposes of international telecommunications using cellular and fixed telecommunications devices; telecommunication carrier services; providing voice over Internet Protocol services via fixed line and cellular telecommunication platforms.

70. The opposition fails in respect of:

Class 16

Paper, cardboard and goods made from these materials, not included in other classes; printed matter; photographs; stationery; plastic materials for packaging (not included in other classes).

71. At this point I need to address, finally, the submission that absence of confusion up to the date of the application is a relevant factor in my determination.
72. Whilst it is well established that evidence of what is often referred as “parallel trading” may be a factor which could potentially assist in a determination of this kind, such evidence needs to establish that the respective marks have actually been put to use in the same market, without the consumer being confused regarding economic origin. If such evidence is forthcoming, this can inform the tribunal’s decision. Alan Steinfield QC, sitting as a deputy judge of the High Court, in *Fiorelli Trade Mark* [2007] RPC 18 gave weight to an absence of confusion in the marketplace, however, this should be tempered by a number of decisions which express caution about the circumstances in which it is appropriate to give these factors weight (see the Court of Appeal in *The European Ltd v. The Economist Newspaper Ltd* [1998] FSR 283 at page 291, Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 at 809 and the Court of Appeal in *Phones 4U Ltd v Phone 4u. co. uk Internet Ltd* [2007] RPC 5 at paras 42 to 45.) In the first of the above cases Millet LJ stated:

“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff’s registered trade mark.”

73. The evidence does not establish to my satisfaction that the respective marks have been put to use in the same market. Far from it, the evidence of actual use points to different outlets being used by the parties. I find then that absence of actual confusion is not a relevant factor in this case.
74. Given my findings under section 5(2)(b) (which I do not consider to be borderline), I do not intend to consider the detailed grounds under section 5(3) and 5(4)(a). In this regard, I believe the notional assessment under section 5(2)(b) to clearly present the opponent with its best case. I would have struggled to find the requisite ‘reputation’ in the UK, necessary at the outset to satisfy section 5(3). As regards section 5(4)(a), I would have had to be persuaded that the opponent had, at the material time, goodwill in the UK in relation to telephones (as distinct from two-way radios) to provide it with the best possible chance in any possible passing off claim. This was not of course a consideration in my notional assessment under section 5(2).

Costs

75. Cobra Electronics Corporation has been substantially successful in its opposition and is entitled to a contribution towards its costs. Neither party sought costs off the normal scale and I am of course mindful that neither party sought a hearing. In the circumstances I award Cobra Electronics Corporation

the sum of £1200 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Statutory Fee:	£200
Filing statement and considering counterstatement	£400
Filing evidence and considering other side's evidence	£300
Filing submissions	£300

76. I order www Holding Company Ltd to pay Cobra Electronics Corporation the sum of £1200. The sum should 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 7th day of March 2012

**Edward Smith
For the Registrar
The Comptroller General**