

O-137-17

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3139201
AND THE REQUEST BY UPG PLC
TO REGISTER THE TRADE MARK**

“THE POWER OF SIMPLICITY”

IN CLASSES 9, 35, 36, 38, 42

AND

**IN THE MATTER OF THE OPPOSITION THERETO UNDER NO. 406395
BY O2 WORLDWIDE LIMITED**

BACKGROUND AND PLEADINGS

1. On 4 December 2015, UPG Plc (“the Applicant”) applied to register as a trade mark the words “THE POWER OF SIMPLICITY” in classes 9, 35, 36, 38 and 42. Details of the specification are set out later in this decision at the point of comparing the respective goods and services.
2. The application was published for opposition purposes in the Trade Marks Journal on 8 January 2016. It is opposed by O2 Worldwide Limited (“the Opponent”) who owns a UK registered trade mark for the word “SIMPLICITY” (Registration No. 3028313) for goods and services in classes 9, 35, 36, 38, 41, and 42. Again details of the specification are set out later in this decision at the point of comparing the respective goods and services. The Opponent requests that the application be refused in its entirety.
3. Section 6(1)(a) of the Trade Marks Act 1994 (“the Act”) defines an “earlier trade mark” as including “*a registered trade mark ... which has a date of application for registration earlier than that of the trade mark in question ...*” The Opponent’s mark was filed on 28 October 2013 (and registered on 30 May 2014) and is therefore an earlier trade mark in accordance with section 6 of the Act.
4. The Opponent relies in this opposition on all goods and services covered by its earlier trade mark. Since the Opponent’s earlier mark was not registered more than five years before the date on which the Applicant’s mark was published for opposition, the earlier mark is not subject to the proof of use provisions under section 6A of the Act. Consequently, the Opponent may rely on all the goods and services protected by the earlier mark, without having to prove use.
5. The opposition is based on section 5(2)(b) and on section 5(3) of the Act.
6. Under **section 5(2)(b)** of the Act, the Opponent claims that the mark applied for is similar (visually, aurally and conceptually) to the Opponent’s earlier trade mark and that the respective goods and services in question are identical or very similar, such that there would be a likelihood of confusion, including a likelihood of association.

7. Under **section 5(3)** of the Act, the Opponent claims to have a reputation in its SIMPLICITY mark in respect of the goods and services in classes 9 and 38 (which it describes as “its core telecommunication goods and services”), such that use of the mark applied for by the Applicant, would, without due cause, take unfair advantage of, or be detrimental to the distinctive character or reputation of the Opponent’s earlier mark.
8. In particular the Opponent claims to have invested a great deal of time, effort and money in developing its brand and creating a reputation in its SIMPLICITY mark, and argues that the Applicant would obtain an advantage based on the claimed positive reputation and power of attraction of the Opponent’s earlier mark, effectively riding on its coattails. The Opponent claims further or in the alternative, that consumers seeing the Applicant’s mark may believe that it is the trade mark of the Opponent, or that there is an economic connection between the Applicant and the Opponent, giving the Applicant an unfair advantage. The Opponent also claims that if the quality of the Applicant’s goods were poor, this could result in detriment to the reputation of the Opponent’s mark. (I note that the Statement of Grounds only references goods in this connection, but the Statutory Notice of Opposition directs the 5(3) claim against all of the Applicant’s goods and services.)
9. The Applicant filed a counterstatement in which it contests the section 5(2)(b) claim by denying that the respective marks are similar, so there is no likelihood of confusion on the part of the public, notwithstanding that the Applicant accepts in its submissions that there are similarities in the respective goods and services.
10. The counterstatement also contests the section 5(3) ground, denying that the Applicant’s use of THE POWER OF SIMPLICITY would take unfair advantage of, or be detrimental to the distinctive character or reputation of the Opponent’s earlier SIMPLICITY mark. The Applicant denies both the scale of the Opponent’s reputation in its SIMPLICITY trade mark and the nature of the brand image, claimed by the Opponent as portraying to its consumers a ‘young, trendy, cool and high tech’ brand.

11. Walker Morris LLP represents the Applicant in these proceedings, and the Opponent is represented by Stobbs IP Limited. Both sides have filed evidence. Neither party has requested a hearing, but both have filed written submissions in lieu of a hearing. I take this decision based on the papers received and taking into account relevant jurisprudence.

The Opponent's evidence

12. The Opponent has submitted 179 pages of evidence, primarily as to its reputation in the SIMPLICITY trade mark throughout the UK prior to the date of application of the opposed trade mark (4 December 2015). The evidence focuses on market share and on promotional activity in support of its mark from its launch to 2013. The Opponent's evidence comprises a witness statement, dated 5 October 2016, from Claire Jenkins of Stobbs IP Ltd and three exhibits labelled CJ1, CJ2 and CJ3. Ms Jenkins has handled trade mark matters on behalf of the Opponent since 2008 and draws on information sourced from O2's marketing and legal departments.
13. Ms Jenkins states that SIMPLICITY has been one of the Opponent's most important sub-brands since its inception in 2007 and enjoyed a reputation at the date of application. It is a "telecoms brand" for pay monthly and pay as you go customers, designed for people who were happy with their mobile telephones and did not wish to be tied to long contracts. Ms Jenkins states that the brand has a high level of exposure in the UK and that there were numerous high profile television and other media campaigns at launch and beyond. In October 2016, the Opponent had 930,000 active Pay Monthly customers and Ms Jenkins states that their bills currently carry the Simplicity trade mark. The exhibits, however, do not include a sample of such bills. Ms Jenkins also states that in October 2016 the Opponent had 50,000 Pay & Go consumers who had been active in the previous 30 days on a Simplicity Pay & Go sim, and around 150,000 in the previous 90 days.
14. Exhibit CJ1 contains various dated press releases. Ms Jenkins states that dates have been added by hand in light of printing challenges, but that details of all press releases attached to her Witness Statement can be found on the news section of O2's website. The dates are July 2007, 9 March 2009, 19 May 2010 and 29 August 2014 and mark the launch of pay monthly tariffs (with the headline "O2 PUTS THE

SIM IN simplicity WITH THE NEW STYLE OF MOBILE DEALS FOR THE HANDSET HAPPY COMMITMENT PHOBES”) and periodic developments in the Simplicity offering, such as extending Pay & Go to sim only customers and the inclusion of 4G availability.

15. Exhibit CJ2 gives numerous samples of how the mark has been used in advertising the Simplicity offerings. The samples are dated between 2010 and 2012 and include adverts intended for door drops, tube car panels and inserts in national newspapers such as The Metro and The Guardian and in The Mirror online, and on websites including MSN and Yahoo!. The adverts include offers in association with Amazon and Marks and Spencer, and offers aimed at students.
16. Ms Jenkins refers to the “incredible reach” of the SIMPLICITY television advert and provides a table of figures for 2011 – 2013 in support of that claim. Despite an attempt at explanation given in the Witness Statement, I find the information far from clear. Ms Jenkins draws a comparison with the advertising campaign of another of O2’s brands (Priority) fronted by global superstar, Beyoncé Knowles. It refers to YouTube figures for that star-led Priority campaign as having nearly 22 thousand YouTube views and compares it with the figure of nearly 21 thousand YouTube views for a Simplicity advert published in May 2012. Ms Jenkins also states that the advertising agency confirmed that the TV advert (for the Priority brand) was watched by 72% of all people in the UK, who saw it on television an average of 4.7 times. This latter is hearsay evidence.
17. Page 118 of the evidence refers to a media spend of over half a million pounds, possibly increasing to over three quarters of a million pounds, but it is not clear precisely what that covers or for what period. Subsequent pages reference related media spends in the order of hundreds of thousands of pounds, but with a similar lack of clarity. However, despite the evidential shortcomings in this Exhibit as I have highlighted above, Exhibit CJ3 shows that the spend on marketing was substantial.
18. Exhibit CJ3 comprises three documents. The first is said to include advertising figures up to April 2012 that are 100% attributable to the Simplicity mark and show, for example, that in the month of September 2011 the Opponent spent over £2

million on advertising the brand in the UK alone. The Opponent's market share for 2011-13 is said to be 19%, second only to EE (another telecommunications company). The extent to which that share is attributable exclusively to Simplicity is not clear, but there is no doubt that the market reach for the Simplicity brand at that time was extensive. Ms Jenkins states that the other two documents in this Exhibit show the customer bases for Simplicity Pay Monthly and Pay & Go. Total customer base for Pay & Go Simplicity customers peaked in August 2012 at over 700, 000 customers.

The Applicant's evidence

19. The Applicant has submitted evidence in reply that serves to question the extent of the Opponent's current and recent use of its mark. The Applicant's evidence comprises a brief witness statement (dated 5 December 2016) from Jennifer Kathryn Good, together with Exhibits JKG1 and JKG2.
20. Ms Good is a Chartered Trade Mark Attorney with the Applicant's representatives in this matter. Ms Good presents in her witness statement facts drawn from her own knowledge and from publicly accessible websites. She states that a search of the Opponent's website found no references to the mark SIMPLICITY and that search results redirected to the part of the website that shows the Opponent's Pay Monthly and Pay As You Go sim tariffs.
21. Exhibit JKG1 is a printout of 15 pages from the Opponent's website showing those tariffs, none of which includes the SIMPLICITY trade mark. The printout is dated 5 December 2016.
22. Exhibit JKG2 is a printout of results of a search on YouTube for O2 Simplicity. It includes television adverts (as mentioned in the Opponent's evidence) the most recent of which was uploaded three years ago and the link is entitled 'Simplicity mobile consumer callplan'.
23. That completes my summary of the evidence filed. The evidence shows that SIMPLICITY is a sub-brand of O2 that has been used on a large scale from 2007 to

2012. After 2012, despite clear supporting points in the Witness Statement, the evidence of the exhibits is slight.

DECISION

Claim under section 5(2)(b) of the Act

24. The Opponent's claim is based in part on section 5(2)(b) of the Act, which states:

"... A trade mark shall not be registered if because-

... (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."

25. The following decisions of the EU courts provide the principles to be borne in mind when considering section 5(2)(b) of the Act:

Sabel BV v Puma AG, Case C-251/95;

Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc, Case C-39/97;

Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. Case C-342/97;

Marca Mode CV v Adidas AG & Adidas Benelux BV, Case C-425/98;

Matratzen Concord GmbH v OHIM, Case C-3/03;

Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH, Case C-120/04;

Shaker di L. Laudato & C. Sas v OHIM, Case C-334/05P; and

Bimbo SA v OHIM, Case C-591/12P.

The principles are 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 be dominated by one or more of its components;
- (f) however, it is also 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 creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of the respective goods and services

26. The Applicant says in its submissions is that “the goods and services covered by the Application have some similarities with the goods and services covered by the Opponent’s Registration.” It remains necessary, however, to compare the respective goods and services to assess the degrees of similarity between them.
27. I note that the Applicant’s submissions highlight that the Opponent states “... *in its evidence that the trade mark SIMPLICITY was developed for use in relation to a sim only product. Despite this narrow intention and actual use of the mark SIMPLICITY, the Opponent has filed and obtained registration for the mark which covers significantly broader, and unrelated, goods and services.*” Irrespective of whether or not such a view is accurate, since the earlier mark had been registered for less than five years on the publication date of the opposed application, my task of comparing the goods must anyway be made on the basis of notional and fair use of the goods in the parties’ respective specifications. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchin L.J. stated that:

“78.*the court must.... consider a notional and fair use of that mark in relation to all of the goods or services in respect of which it is registered.*”

.... it may not have been used at all, or it may only have been used in relation to some of the goods or services falling within the specification In such a case the proprietor is still entitled to protection against the use of a similar sign in relation to similar goods if the use is such as to give rise to a likelihood of confusion.”

28. In *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*, Case C-533/06, the Court of Justice of the European Union (“CJEU”) stated at paragraph 66 of its judgment that when assessing the likelihood of confusion under section 5(2) it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. And in *Oakley v OHIM* (Case T-116/06) it is made clear that consideration of likelihood of confusion is prospective and not to be restricted to the current marketing or trading patterns of the parties:

“... Since the particular circumstances in which the goods covered by the marks are marketed may vary in time, and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks ... cannot be dependent on the commercial intentions, whether carried out or not – and which are naturally subjective – of the trade mark proprietors ...”

29. I approach this task by considering the goods and services in the Applicant’s specification and looking across the classes of the Opponent’s specification. (The wording of the respective specifications is presented side-by-side in the table below.) I give the words their natural meaning with neither undue extension nor constraint and I bear in mind the following principles from case law.

30. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court stated that:

“29. goods can be considered as identical when ... the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

31. In *YouView TV Ltd v Total Ltd* ,[2012] EWHC 3158 (Ch,) Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise Nevertheless the principle should not be taken too far Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

32. I also take account of the factors identified by the Court of Justice of the European Union in *Canon*, Case C-39/97, where at paragraph 23 of its judgment it states that:

"In assessing the similarity of the goods all the relevant factors relating to those goods .. themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary".

33. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- e) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance

whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

34. I also take note that in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court stated that “complementary” means:

“...there is a close connection between [the goods], in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

35. The goods and services to be compared are:

Class	Applicant’s goods and services	Opponent’s goods and services
9	Telecommunication equipment; electronic communications equipment; communications networks; computer software, namely, electronic financial platform that accommodates multiple types of payment and debt transactions in an integrated mobile phone, PDA, and web based environment; computer software for secure processing of payments; computer software for data processing; computer software for use in the encryption and decryption of data; electronic payment terminals; electronic payment terminals for processing of payments from magnetic cards, debit cards, credit cards and mobile phones; encoded magnetic cards; magnetic strip cards; USB computer security keys; electronic encryption apparatus; data	Mobile telecommunications equipment, sim cards for mobile phones; tablet computers; smartphones.

	processing systems and terminals; parts and fittings for the aforesaid goods.	
35	Data processing; automated data processing; electronic data processing; online data processing services; compilation of information onto a computer database; computer networks and communication networks for others; compilation of computer databases; providing business information via a website.	Operation and provision of loyalty and incentive schemes; retail services and online retail services relating to telecommunications equipment and sim cards.
36	Automated payment of accounts; collection of payments; credit card payment processing; electronic payment services; financial payment services; information services relating to the automated payment of accounts; payment administration services; payment transaction card services; processing of electronic payments; processing of payments for banks; processing of payments in relation to charge cards; processing of payments in relation to credit cards; electronic wallet services; processing of payments made through software applications; processing of payments made using mobile phones; processing payments for the purchase of goods and services via an electronic communications network; arranging financial transactions; automated banking services relating to charge card transactions; automated banking services	Payment processing services relating to telecommunications and telecommunications contracts; arranging finance for individuals and businesses relating to telecommunications and telecommunications contracts.

	relating to credit card transactions; financial transactional services; payment transaction card services; processing charge card transactions for others; processing credit card transactions for others; processing debit card transactions for others; information, advisory and consultancy services relating to the aforementioned services	
38	Telecommunications; transmission of data by electronic communications equipment and apparatus controlled by data processing apparatus; providing private and secure real time electronic communication over a computer network.	Mobile telecommunications services; provision of broadband telecommunications access; email and text messaging services; information and advisory services relating to the aforesaid.
41		Entertainment; interactive entertainment services; electronic games services provided by means of a mobile communications network; entertainment and information services provided by means of a mobile telecommunication network; information services provided by means of a telecommunications network; information and advisory services relating to the aforesaid services
42	Creation of computer programmes for data processing; design services for data processing systems; designing of data processing programmes; designing of data processing systems; development of	Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; information and

<p>programmes for data processing; development of systems for the processing of data; preparation of computer programs for data processing; preparation of data processing programmes; writing of programs for data processing; development and design of computer software and hardware in the field of data processing, payment processing, data security; development and design of computer software in the field of encryption and decryption; data encryption and decoding services; encryption, decryption and authentication of information, messages and data; information, advisory and consultancy services relating to the aforementioned services.</p>	<p>consultancy services relating to information technology; consultancy services relating to information technology; engineering services relating to information technology; information services relating to information technology; technical consultancy services relating to information technology; computer programming services; recovery of computer data; consultancy in the field of computer hardware; computer programming; duplication of computer programs; computer rental; computer software design; installation of computer software; maintenance of computer software; repair of computer software; updating of computer software; rental of computer software; rental of computer hardware; computer system design; computer systems analysis; consultancy in the field of computer software; conversion of data or documents from physical to electronic media; creating and maintaining websites for others; data conversion of computer programs and data (not physical conversion); hosting computer sites (web sites) of others; engineering services relating to telecommunications; rental of computers; monitoring of telecommunications network systems; services of information brokers and providers, namely product research for</p>
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		<p>others; weather forecasting; research relating to telecommunications; research of field telecommunication technology; technical support services relating to telecommunications and apparatus; expert advice and opinion relating to technology; information and advisory services relating to the aforesaid; but not including services related to information technology or software for monitoring, controlling, visualising, tracking and analysing manufacturing and industrial machinery and processes or for real time decision making or improving operational outcomes in manufacturing and industrial processes.</p>
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Class 9

36. The Applicant's "*telecommunication equipment; electronic communications equipment*" includes and therefore, in line with the principle in *Gérard Meric*, is identical to the Opponent's "*mobile telecommunications equipment*."

37. The Opponent's "*mobile telecommunications equipment*" may be considered similar to certain goods within the Applicant's specification as follows: "*communications networks; ... electronic payment terminals; electronic payment terminals for processing of payments from magnetic cards, debit cards, credit cards and mobile phones; encoded magnetic cards; magnetic strip cards; USB computer security keys; electronic encryption apparatus; data processing systems and terminals...*"

38. Similarity arises inasmuch as those goods all facilitate various facets of mobile telecommunications and are complementary in line with the guidance in the *Boston*

case. Moreover, the respective users of the respective goods would be the same. On this basis I would estimate those goods to be similar to a reasonable degree.

39. However, I also find that the services detailed in the Opponent's specification provide further grounds for finding similarity with the Applicant's goods just discussed. For example, the Opponent has protection for "*payment processing services*" (in Class 36), for "*mobile telecommunications services; provision of broadband telecommunications access; email and text messaging services*" (in Class 38), and for "*scientific and technological services; and ... design and development of computer hardware and software; rental of computer hardware; engineering services relating to telecommunications*" (in Class 42). These services are "*indispensable or important for*" networks, terminals and payment devices are therefore complementary and similar (as per Boston). Moreover the respective users of the respective goods and services would often be the same. Factoring in these services, I would estimate the goods discussed in paragraph 37 as being similar to a reasonably high degree.
40. As to the Applicant's various items of software in Class 9 for the purposes of payment transactions, encryption, decryption and processing of data, I find them to be similar (to a high degree) to various of the Opponent's services, notably: "*payment processing services relating to telecommunications and telecommunications contracts*" in Class 36, and "*computer programming services; recovery of computer data; computer software design; installation of computer software; maintenance of computer software; data conversion of computer programs and data*" in Class 42. These services are "*indispensable or important for*" the Applicant's software goods and are therefore complementary and similar. Moreover those goods and services have the same intended purpose and to some extent share the same respective users.
41. Since I have found that the Applicant's goods are similar to the Opponent's services and certain goods as illustrated above, I also consider that there is comparable similarity in respect of the Applicant's "*parts and fittings for the aforesaid goods.*"

Class 35

42. The Applicant has applied for registration in respect of various data processing services, which I find to be identical or similar to a very high degree to the Opponent's protection under Class 42 for "*conversion of data or documents from physical to electronic media; data conversion of computer programs and data (not physical conversion); hosting computer sites (web sites) of others.*" Factors determining similarity here rest on the purpose and physical nature of the services and the fact that the respective users of the services and channels of trade are the same.

43. The Applicant has also applied for registration in respect of "*computer networks and communication networks for others.*" This I find to be identical or similar to a very high degree to the Opponent's protection under Class 38 for "*mobile telecommunications services; provision of broadband telecommunications access*" and under Class 42 "*for technical support services relating to telecommunications and apparatus.*" Similarity here rests on the physical nature and strong complementarity of those services and the fact that the respective users and channels of trade of the services are the same.

44. Finally under Class 35, the Applicant has also applied for registration in respect of "*providing business information via a website*", which for the same reasons I find to be identical or similar to a very high degree to the Opponent's protection under Class 41 for "*information services provided by means of a telecommunications network*" and under 42 for "*creating and maintaining websites for others; and hosting computer sites (web sites) of others.*"

Class 36

45. The Applicant has applied for registration in respect of various forms of payment processing services and providing related information and advice. The scope of those services is broad and is not restricted to the field of telecommunications. There are some clear points of overlap with the Opponent's protection, but in varying degrees.

46. The Opponent has protection under Class 36 for “*payment processing services relating to telecommunications and telecommunications contracts.*” Although the Opponent’s protection covers only a subset (limited to the context of “*telecommunications and telecommunications contracts*”), I find that these services are included in the Applicant’s specification of “*automated payment of accounts; collection of payments; credit card payment processing; processing of electronic payments; electronic payment services; financial payment services; processing of payments for banks; processing of payments in relation to charge cards; processing of payments in relation to credit cards; payment administration services; payment transaction card services; processing of payments in relation to charge cards; processing of payments in relation to credit cards; electronic wallet services; processing of payments made through software applications; processing of payments made using mobile phones.*”
47. Since these services are included in the wider specification, they may be considered identical on the basis of the principle expressed in *Gérard Meric*. In any case, the services share a high degree of similarity on the basis that they are of the same nature, have the same intended purpose (processing payments) and would to some extent be in competition and share the same respective users. I recognise that the Applicant’s specification is wider and includes services for whom the notional average consumer would be different, for instance they may be services primarily used by banks or businesses requiring payment processing services. However, members of the general public at large would be users of “*payment processing services relating to telecommunications*” and also ultimately for the card transactional services mentioned. I also note that as it becomes increasingly commonplace to be able to use one’s mobile telephone as a cashless means of paying for goods or services, so the boundaries of “*payment processing services relating to telecommunications*” become softer and encompass “*processing payments for the purchase of goods and services via an electronic communications network*” and “*automated banking services relating to charge card transactions; financial transactional services; payment transaction card services; and processing charge card / credit / debit transactions for others.*”

48. The Opponent has protection under Class 36 for “*arranging finance for individuals and businesses relating to telecommunications and telecommunications contracts.*” I compare this service with the Applicant’s specification of “*arranging financial transactions*” and find identity between them, or else a high level of similarity since they have the same nature, being concerned with helping with the provision and flow of monies.
49. The Applicant also specifies in this class “*information services relating to the automated payment of accounts*” and “*information, advisory and consultancy services relating to the aforementioned services* [all the Applicant’s services in class 36.” The Opponent’s specification in class 42 includes “*consultancy in the field of computer hardware; .. consultancy in the field of computer software; .. information services relating to information technology; ... expert advice and opinion relating to technology; information and advisory services relating to the aforesaid* [all the Opponent’s services in class 42]”. I find that the Opponent’s consultancy services in the field of computer hardware and software are framed sufficiently broadly to encompass “*information services relating to the automated payment of accounts.*” They have the same channels of trade, and are highly complementary. Coupled with the shared specification of “*information and advisory services*” I find that these remaining services share a reasonably high degree of similarity.

Class 38

50. The Applicant’s specification in this class essentially consists of telecommunications services that fully align with the Opponent’s services registered in the same class and I find them by their nature to be identical or similar to the highest degree.

Class 42

51. The Opponent’s wider term “*design and development of computer hardware and software*” covers and so has identity with the following terms in the Applicants’ specification: “*creation of computer programmes for data processing; design services for data processing systems; designing of data processing programmes; designing of data processing systems; development of programmes for data processing; development of systems for the processing of data; preparation of computer*

programs for data processing; preparation of data processing programmes; writing of programs for data processing; development and design of computer software and hardware in the field of data processing, payment processing, data security; development and design of computer software in the field of encryption and decryption.”

52. The Applicant’s “*data encryption and decoding services; encryption, decryption and authentication of information, messages and data*” share nature, purpose and channels of trade with the Opponent’s “*recovery of computer data; conversion of data or documents from physical to electronic media; data conversion of computer programs and data (not physical conversion)*”, and are highly similar.
53. Finally, the Applicant’s “*information, advisory and consultancy services relating to the aforementioned services*” are identical to the Opponent’s consultancy services in the fields of computer hardware and software and the Opponent’s information and advisory services relating to all of the aforesaid services in the Opponent’s class 42 specification.

The average consumer and the purchasing process

54. It is necessary to determine who is the average consumer for the respective goods and services and how the goods and services are likely to be selected.
55. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

*“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect
... the relevant person is a legal construct and ... the test is to be applied objectively by the court from the point of view of that constructed person. The word “average” denotes that the person is typical....”*

56. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question (*Lloyd Schuhfabrik Meyer, Case C-342/97*).
57. It is the submission of the Applicant that “*taking into account Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV, the relevant public for the purposes of the opposition is the average business consumer [my emphasis], since the goods and services covered by the application are specialist goods and services relating primarily to secure payments.*”
58. The goods and services for which the Applicant seeks registration include equipment whose role is closely related to the infrastructure underpinning the operation of telecommunications. The Applicant's goods such as telecommunications networks; payment terminals and devices; software for payments, data processing systems and terminals are goods to serve business, including businesses engaged with telecommunications. Those goods are not directly targeted for sale to the general public. Similarly, services such as enabling secure payments, telecommunications and data processing may reasonably be seen as directed at businesses, including banks – as ‘back-office’ infrastructure or systems.
59. The Opponent's provision of goods, such as mobile telecommunications equipment in the form of sim cards for mobile phones, is clearly targeted at the general public. A diverse and wide cross-section of the general public may seek to purchase the goods itemised in the Opponent's specification, which also includes tablet computers and smartphones (but nothing further).
60. I also note that whereas the Applicant's services in Class 35 broadly focus on data processing, the Opponent's services in that class appear more targeted to the general public consumer, focusing on providing loyalty and incentive schemes and retail services relating to telecommunications equipment and sim cards.
61. The Opponent submits that the average consumer of the goods and services of the Applicant will be the general public at large.

62. Whilst I accept that the Applicant's specification of "*telecommunication equipment; electronic communications equipment*" could certainly include "*sim cards for mobile phones; tablet computers; smartphones*", the goods and services in respect of which the Applicant seeks to register its mark may reasonably be seen as of a type that would not be purchased by or marketed directly to the general public. It is therefore reasonable to permit the notional average consumer for many of the goods and services in question to be cast as a business consumer.
63. Despite the apparent actual focus of the Opponent's business under the Simplicity mark (on Pay Monthly and Pay & Go), the notional legal construct of the average consumer of the goods and services in question must be based on the wording of the specification and allowing for the breadth of application of those terms, irrespective of the actual use made.
64. Telecommunication equipment and electronic communications equipment will vary greatly in price depending on its nature – for example a sim card for a mobile phone may be inexpensive, whereas "communications networks" presumably entail substantial costs. Likewise although accessing telecommunications services may entail modest cost to the consumer (for example sending a text), provision of services such as payment and telecommunications consultancy services and designing of data processing systems presumably will be costly.
65. My conclusion is that both parties claim a mix of goods and services for whom the average consumer could be both or either the public at large and/or the business sector within that wider public. Where the notional average consumer is a member of the public at large, I would expect a decision as to which provision of telecommunications goods and services best suits one's needs to involve a slightly above normal level of attention. For those goods and services directed at a business consumer, I would expect such a person to pay a higher than normal level of attention. In all cases, the purchasing act will be visual as the goods and services are likely to be offered and branded through a range of visual communications – whether hard copy publicity literature, images on websites or in emails and other correspondence. However, I do not discount aural considerations which may also

play a part, including as part of advertisements or of business discussions to decide whether or not purchase.

Comparison of the marks

66. The respective trade marks are shown below:

SIMPLICITY	THE POWER OF SIMPLICITY
The Opponent's earlier trade mark	The Applicant's contested trade mark

Visual similarity

67. The Applicant's mark is clearly considerably longer as it consists of three words, the third of which is the word "simplicity," which is the Opponent's mark. It is considered a rule of thumb that in assessing similarity of trade marks the attention of the public fixes more readily on the first part of a mark than on its end. However, that is far from inevitable and is not the case in this instance. Although as much a conceptual as a visual matter, the construction of the Applicant's mark means that to focus on its beginning would beg the question the 'power of what'? Focus is therefore directed to the concluding component of the mark, the source of that power, which is "simplicity."

68. The conflicting signs display some degree of visual similarity because they both contain the word "simplicity". It is clear from the case law (eg *MATRATZEN Concord*) that "two marks are similar when, from the point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects, inter alia the visual, aural and conceptual aspects." I find there is a reasonable degree of visual similarity between the marks.

Aural similarity

69. Phonetically the marks are different as the Applicant's mark involves four syllables across three words before the marks overlap for their final four identical syllables.

The two marks are therefore pronounced differently. However, as the four last syllables of the mark applied for are identical to the earlier mark and are pronounced in the same way, there is some phonetic similarity between the two signs taken as a whole. I reject the Applicant's submission that because an average consumer may tend to concentrate their attention toward the beginning of a mark¹, the word "POWER" is likely to be more readily heard and recalled. The 'simplicity' component is the necessary conclusion of the mark applied for, without which it is obviously incomplete and on which the listener waits. I find there is a reasonable degree of aural similarity between the marks.

Conceptual similarity

70. I agree with the Applicant's submission that "*the word SIMPLICITY alone is well known to the public as denoting plain, uncomplicated, easy to understand.*" However, I disagree with the Applicant's submission that "*in contrast, the combination of the words THE POWER OF SIMPLICITY has no known meaning.*" Simplicity retains its meaning within the Applicant's mark and to that extent they share conceptual identity. I consider that the average consumer would view the words "THE POWER OF" as a laudatory comment on simplicity, emphasising one aspect of simplicity. Overall I find the marks reasonably similar from a conceptual perspective.

Distinctive character of earlier trade mark

71. The distinctive character of the earlier mark must be considered. The more distinctive it is, either by its inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular

¹ *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, the General Court noted that the beginnings of word tend to have more visual and aural impact than the ends.

undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee v Huber and Attenberger [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see Windsurfing Chiemsee, paragraph 51).”

72. Simplicity is a standard English word, but since it neither directly describes nor alludes to the relevant goods or services it has a reasonable level of inherent distinctiveness. I am also satisfied that the Opponent’s evidence as to use of its mark, which I summarised earlier in this decision, is sufficient to show an enhanced level of distinctiveness in relation to the goods and services in Classes 9 and 38. I note particularly its evidence as to its extensive and costly promotional activities from 2007 – 2012 and the numbers of current customers, including those whose monthly bills are attested to bear the Simplicity mark.

Conclusion as to likelihood of confusion

73. I now turn to reach a conclusion as to the likelihood of confusion between the two marks if they were used in relation to the goods and services specified. In making this global assessment of likelihood of confusion I take stock of my findings set out in the foregoing sections of this decision as to: the relevant average consumer; the nature of the purchasing process; the similarity between the specified goods and services; and the similarity between the conflicting marks, taking account of the distinctiveness of the earlier mark. I also bear in mind the interdependency principle,

which is to say that a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and services (and vice versa). (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*).

74. I have found that the relevant average consumer for the goods and services in question could be a member of the general public at large inasmuch as the specification includes goods and various services that could be bought by that group. I have estimated that such a group would pay a slightly above normal level of attention when selecting telecommunication goods and services. I have also recognised that the relevant legal construct for the Applicant's goods and services could be a member of the business public, especially those engaged in telecommunications and payment processing, and I have estimated that that group would pay an above normal level of attention.
75. I have considered the notional nature of the purchasing process, in which visual considerations predominate, but in which aural considerations play a role.
76. I note that the Applicant has offered little or nothing to contest the similarity of the goods and services and I find them to be identical or else similar in degrees ranging from reasonable to high, such that the Opponent's protection covers the entirety of the Applicant's specification. The notional potential reach of the respective specifications means that the goods and services could easily be in direct competition with one another.
77. In comparing the marks I have found that they are visually, aurally and conceptually similar to a reasonable degree. In *Bimbo SA v OHIM* Case C-591/12P, the CJEU stated at paragraph 34 of its judgment that:

".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

78. In *Sabel*, the CJEU stated that the global appreciation of the visual, aural or conceptual similarity of the marks in question must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. It would therefore be wrong to artificially dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features that are not negligible² and therefore contribute to the overall impressions created by the marks.
79. I find the word “simplicity” to be the dominant component in the Applicant’s mark. I find “*The Power of*” has limited distinctive value and, although far from negligible, is secondary to the word “simplicity”, which I also find the more distinctive component. The overall impression of the Opponent’s mark is that it consists solely of the well-known word simplicity, with its immediate suggestiveness of ease and absence of complication. The Applicant’s mark includes that concept (and visual and aural components).
80. It may be that the Applicant’s services and goods are directed less at the general public and may, as the Applicant submits, be specialist goods and services relating primarily to secure payments. Nonetheless, in light of the enhanced distinctiveness of the earlier mark in the field of telecommunications, the construction of the Applicant’s mark may be taken to refer to the energy source of that established and well known telecommunications brand, founded on easy and effective payment bases. In other words, there is a risk that the relevant public may perceive the Applicant’s mark as either a laudatory reference to the earlier mark or as a claim to be the engine behind the earlier mark. I note the point made in *Canon*, as to indirect confusion, that an association between marks such that the public might believe the respective goods or services to come from the same or economically-linked undertakings, produces a likelihood of confusion.
81. It is clear from *Matratzen* that a likelihood of confusion will exist if, cumulatively, the degree of similarity between the trade marks in question and the degree of similarity between the goods or services covered by those marks are sufficiently high.

² *Matratzen Concord v OHIM* [2003] E.T.M.R. 31 GC at para.33; *Calvin Klein Trademark Trust v OHIM* [2011] E.T.M.R. 5 CJEU at para.56

Notwithstanding the points of difference acknowledged in this decision, and even factoring in an elevated level of attention in the purchasing process³, when I weigh in the balance all of the above factors I find in this case that there would be a likelihood of confusion on the part of the relevant UK public as to the origin of those goods and services, including a likelihood of association. **Consequently, the opposition succeeds on the basis of s5(2)(b).**

The section 5(3) ground of opposition

82. Section 5(3) states that a trade mark which is similar to an earlier trade mark shall not be registered to the extent that the earlier trade mark has a reputation in the United Kingdom 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.
83. The relevant case law can be found in the following judgments of the Court of Justice of the European Union (“the CJEU”): Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure*, Case C-487/07 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows:
- a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.
 - (b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.
 - (c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph
 - (d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between

³ Specialist consumers’ circumspection does not automatically obviate confusion - see CJEU in *Honda Motor Europe Ltd v OHIM* Case T-363/06

the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

- (e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.
- (f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.
- (g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.
- (h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.
- (i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

84. The conditions of section 5(3) are cumulative. Firstly, the applicant must show that its earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, the applicant must establish that the level of reputation and the similarities between the parties' marks will cause the public to make a link between the marks, in the sense of the earlier marks being brought to mind by the later marks. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of three types of damage claimed by the applicant will occur. A link between the marks does not automatically mean that damage would follow. It is unnecessary for the purposes of section 5(3) that the goods and services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks. I deal with these elements in order below.

Reputation

85. The Opponent has claimed a reputation for its Simplicity mark in relation to its goods and services in Classes 9 and 38 (its "core telecommunications goods and services"). The Applicant disputes the Opponent's claim to have developed a "massive" reputation in its mark and that the mark portrays a "young, trendy, cool and high tech brand to its consumers." The Opponent must show a reputation as at 4 December 2015, when the Applicant applied to register its mark.

86. Taking account of the guidance given by the CJEU in *General Motors* it is my assessment that the Opponent clearly has shown the existence of a reputation. Paragraph 27 of that judgment requires that I:

"...take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it."

87. On the basis of the Opponent's evidence as I summarised previously, I find that there continues to be a significant customer base in the goods and services under the Simplicity mark. I find that the amount of resources dedicated to educating

consumers that Simplicity is a brand of the Opponent – as exemplified by the advertisements included in evidence - has led to the mark having a reputation in its own right for telecommunications as claimed for Classes 9 and 38, notwithstanding that the nature of the reputation may be less clear (as I return to below).

88. It is not a requirement that a trade mark must be known by a given percentage of the relevant public (paragraph 25 *General Motors*). Since the Opponent had around a million Simplicity Pay Monthly and Pay & Go customers even in October 2016, quite some time after the peak height of its market share 2011-13, I find that the mark would at the relevant date be known by a significant part of the public concerned by the products or services covered by the trade mark. I am taking the relevant public to be the general public at large, which will include business users and those with a more specialised interest in telecommunications and payment processing systems.
89. The Opponent's submissions in lieu claim that the evidence shows the specific nature of the reputation in the Simplicity brand as modern, cutting edge, trendy and cool and high tech. I do not find that the evidence establishes such an image. Provision of telecommunications entails up to date technology and therefore may, in a broad sense, be characterised as inherently "modern, cutting edge and high tech." Likewise since use of telecommunications is prevalent in our times and perhaps prevalent especially among the younger generation, it could in a very broad sense be characterised as "trendy and cool."
90. However, the Opponent gives no clear evidence to substantiate a claim to a particular or distinct image of that sort attaching to the Simplicity offering. The evidence shows a range of means of access to their telecommunications services, for example different ways of paying for the sim card services and the publicity evidence includes offers aimed at students. I do not, however, consider this sufficient to establish a brand image that, within the context of the sector, is especially young, modern, cutting edge, trendy and cool and high tech.

[Link](#)

91. It is clear from the ruling of the CJEU in *Intra-Press SAS v OHIM, Joined cases C-581/13P & C-582/13P*, (at paragraph 72 of its judgment) that the level of similarity required for the public to make a link between the marks for the purposes of 5(3) may be less than the level of similarity required to create a likelihood of confusion. It “*is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them.*”
92. My assessment of whether the public will make the required mental ‘link’ between the marks must take account of all relevant factors. Those include factors identified in *Case C-252/07 Intel Corporation [2008] ECR I-8823* as follows:

The degree of similarity between the conflicting marks: I have found for the purposes of likelihood of confusion under the 5(3) claim that there is a reasonable degree of similarity between the conflicting marks.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public: I have found for the purposes of likelihood of confusion under the 5(3) claim that there is a strong degree of closeness between the goods and services. The Opponent’s goods in Class 9 are encompassed by the Applicant’s claimed “*telecommunication equipment; electronic communications equipment; communications networks*” and I have also found alignment in the telecommunications services under class 38 such that they are by their nature identical or similar to the highest degree. And notwithstanding potentially different business focuses, I have shown clear commonalities between the relevant sections of the public.

The strength of the earlier mark’s reputation: In light of its having attained a high level of market share and maintaining a significant number of current customers, I estimate that the mark had a reasonably strong reputation at the relevant date.

The degree of the earlier mark’s distinctive character, whether inherent or acquired through use: I have found that the Opponent’s mark has a reasonable

level of inherent distinctiveness, enhanced for classes 9 and 38 through extensive promotion and use.

The existence of the likelihood of confusion on the part of the public: I have already found a likelihood of confusion for the purposes of 5(3).

Consequential damage or advantage

93. A link between the marks does not automatically mean that damage would follow, but I have already found that there is a likelihood of confusion, which thereby would give the Applicant an unfair advantage.
94. In *Jack Wills Limited v House of Fraser (Stores) Limited*,⁸ Arnold J. considered the earlier case law and concluded (at paragraph 80) that “*this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.*”
95. Given my earlier finding of likelihood of confusion, use of the Applicant’s mark could have the objective effect of making it easier to sell goods and services to a section of the relevant public, effectively to ‘ride on the coattails’ of the Opponent’s promotional investment. **The Opponent therefore succeeds in its section 5(3) claim on the ground of unfair advantage.** It is not necessary to consider the question of due cause nor to proceed to consider other grounds of injury in the form of detriment to the distinctive character or repute of the earlier mark.

Costs

96. The Opponent has been successful in its section 5(2)(b) and section 5(3) claim and is entitled to a contribution towards its costs, which I assess based on the guidance in Tribunal Practice Notice 4/2007. In the circumstances I award the Opponent the sum of £1200 (one thousand two hundred pounds) as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Reimbursement of the official fee for Notice of Opposition and Statement of Grounds:	£200
Preparing a statement of grounds and considering the other side's statement:	£200
Preparation of evidence and considering and commenting the other side's evidence:	£500
Preparation of written submissions and considering the other side's written submissions in lieu of oral hearing:	£300
Total:	£1200

97. I therefore order UPG Plc to pay O2 Worldwide Limited the sum of £1200 (one thousand two hundred pounds) to be paid within fourteen days of the expiry of the appeal period, or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 23rd day of March 2017

Matthew Williams
For the Registrar,
the Comptroller-General