

O/411/18

TRADE MARKS ACT 1994

**IN THE MATTER OF THE UK DESIGNATION OF INTERNATIONAL
REGISTRATION NO. 1232891
BY VIVO MOBILE COMMUNICATION CO., LTD
FOR THE TRADE MARK:**

The logo for Vivo, featuring the word "vivo" in a bold, lowercase, sans-serif font. The letter 'i' has a small diamond shape above it. The 'v' and 'o' are connected to the 'i' and 'v' respectively, creating a continuous, stylized look.

IN CLASS 9

AND

**IN THE MATTER OF THE OPPOSITION THERETO UNDER NO. 404865
BY TELEFONICA, S.A.**

BACKGROUND AND PLEADINGS

1. Vivo Mobile Communication Co., Ltd. (“the Holder”) holds an international registration designating the UK for the mark shown on the cover page of this decision for goods in Class 9, namely *telephone apparatus; portable telephones* (“the UK designation”). The date of the designation is 5 August 2014.
2. The UK designation was published in the Journal on 15 May 2015 and is opposed by Telefonica, S.A. (“the Opponent”). The Opponent owns the EU trade mark (No. 9667841) shown below (claiming the colour blue), which was filed on 18 January 2011 and registered on 7 November 2013 for goods in classes 9 and 16, and services in classes 35, 38, 41 and 42:



3. The Form TM7 Notice of Opposition originally filed on 12 August 2015 based the opposition on grounds under sections 5(1), 5(2)(a), 5(3), 3(6) of the Trade Marks Act 1994 (“the Act”), and on a claim that the Opponent is the owner of a mark that is well-known in the UK as defined by section 56(1) of the Act. However, during the evidence rounds (following the hiatus of cooling off periods) the Opponent filed neither evidence nor submissions in support of their opposition, with the consequence that in an official letter dated 31 October 2017 the Registry informed the parties that the claims under sections 3(6), 5(3) and 56(1) were struck out and that the opposition would proceed in respect of the claim under section 5(1) and 5(2)(a) only.
4. The claim under section 5(1) of the Act is that the UK designation is for an identical mark and for identical goods or services as already protected by the Opponent’s earlier trade mark. The claim under section 5(2)(a) is that the Holder’s mark is again identical, and that the UK designation is for goods or services that are either identical with or else similar to those for which the earlier trade mark is protected.

5. Page 3 of the Form TM7 asks an opponent to tick on what grounds its opposition is brought and then directs to the relevant sections of the Form. The Form TM7 in this case included a ticked box next to the rubric that directs an opponent to Section A of the Form, and which reads "*Opposition is based on Sections 5(1) or 5(2): The trade mark is either identical or similar to an earlier trade mark and is to be registered for identical and/or similar goods and services.*" Then at Section A of the Form, ticks were included only next to sections 5(1) and 5(2)(a) – both of which rely on identity between the parties' marks. The tick box next to section 5(2)(b) - where marks are claimed to be similar, rather than identical – contains no tick. Despite that omission, at question 5 of Section A, which asks for information about why an opponent considers there is a likelihood of confusion, and why, for example, the respective marks are considered similar, the Opponent states that the marks are identical or "*in the alternative, the marks are closely similar visually, aurally and conceptually. The goods and services are identical and similar.*"
6. Despite not having ticked to claim section 5(2)(b) and despite the reference in the official letter dated 31 October 2017 to the opposition proceeding only on section 5(1) and 5(2)(a) grounds, it appears from the Opponent's reply to question 5 of Section A of its Form TM7 that it intended to base its claim in the alternative on the marks at issue being merely similar rather than identical. I also note that an official letter from the Registry dated 26 July 2017 refers to the statement of grounds having made a claim under section 5(2)(b).
7. The Form TM7 shows that for the section 5(1) and 5(2) grounds, the Opponent relies only on some of the goods and services for which it is registered, being goods in class 9 and services in classes 35, 38 as set out in the annex at the end of this decision. I shall refer to the goods and services relied on only to the extent necessary for this decision.
8. The Form TM7 at question 2 of Section A contained no tick to indicate whether or not the registration process for the earlier trade mark was completed 5 years or more before the publication date of the opposed application (the UK designation).

Holder's Form TM8

9. A Form TM8 notice of defence and counterstatement was filed in July 2017 resisting the opposition. I note that at that stage, the holder of the international registration designating the UK was BBK Communication Technology Co., Ltd ("BBK"), but there followed a

change in ownership and in an official letter dated 14 December 2017 the Registry confirmed that it had recorded Vivo Mobile Communications Co., Ltd as the holder in these proceedings. The Holder confirmed in its letter of 2 January 2018 that it had had sight of the forms filed and stood by the statements in the counterstatement. It also confirmed that where the name of the original holder appears, this should be read as though made in the name of the Holder and that it was aware of and accepted the liability for costs for the whole proceedings in the event that the opposition succeeded.

10. The relevance of some of the content of the counterstatement is unclear and seems to be based on a misunderstanding of some of the grounds originally claimed. I note below only those points from the counterstatement that can have any bearing on the decision before me as to the claims under sections 5(1) and 5(2)(a) of the Act:
- (i) the Opponent has “*not demonstrated the identity and / or similarity between the contested and prior goods and services*”;
 - (ii) the Holder’s own trade mark is highly renowned in more than 100 countries for designing, developing and manufacturing smartphones, smartphone accessories and software, and in 2017 became the 5th largest smartphone manufacturer worldwide with 7.1% market share;
 - (iii) the Opponent’s mark is used in the field of providing telecommunications services and consequently the parties’ marks currently coexist peacefully at a worldwide scale. No likelihood of confusion has ever emerged in consumers’ minds, since the activities of each company are very specific;
 - (iv) The Holder also cites the judgment of the Court of Justice of the European Union (“the CJEU”) in Case C-482/09, *Budějovický Budvar v Anheuser-Busch Inc* and suggests that “*the solution taken in Budvar may apply in this case, since both companies have a strong market position in their respective field, where consumers clearly differentiate their goods and services without any likelihood of confusion*”;
 - (v) a likelihood of confusion cannot exist since neither UK nor EU consumers have ever been in direct contact with the services rendered by the Opponent under the brand VIVO since it has never been used in the UK;
 - (vi) the Opponent has only used its VIVO mark in Brazil and the Holder requested that the Opponent demonstrate its alleged use in the UK;

(vii) the Opponent's trade mark is weakly distinctive as the term is derivative from the Latin term *vivus*, meaning "alive" and the term is highly diluted as it is currently used by numerous operators at a worldwide scale to designate goods and services relating to the phone industry and consumers in the UK are therefore accustomed to seeing the term used in the course of trade.

11. The Form TM8 also included a ticked box requesting the Opponent to provide "proof of use" in relation to particular goods and services in 9, 35 and 38. The Form TM8 included a print-out of the Budvar case mentioned above, which it marked "Exhibit A".

Papers filed and representation

12. During the evidence rounds, neither party filed evidence or submissions. Neither party requested a hearing and only the Opponent provided written submissions in lieu of a hearing. I note that the Opponent's submissions in lieu are made in the apparent belief that the opposition proceeds not only on grounds under sections 5(1) and 5(2)(a), but also under section 3(6) - which ground has been struck out - and under section 5(2)(b) - where there is a lack of clarity as to whether or not the ground was claimed in the Form TM7. I bear in mind all points from the papers filed and shall refer to them as appropriate in this decision.

13. NextMarq represents the Holder in these proceedings; HGF Limited represents the Opponent.



DECISION

14. Section 5(1) of the Act states that 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.*"

15. The trade mark relied on by the Opponent has a date of application for registration earlier than the UK designation date of the Holder's international registration and is thus an "earlier trade mark" under section 6(1)(a) of the Act. Since the Opponent's earlier trade mark had not been registered for more than five years when the Holder's mark was

published for opposition, the earlier mark is not subject to the proof of use provisions under section 6A of the Act. The Opponent is therefore not required to show that or how it has used its earlier mark.

16. In *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*¹, the CJEU held that “... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

Opponent’s earlier mark	Holder’s mark
	

17. In comparing the marks I note that fair and notional use would allow the parties’ marks to be rendered in colours other than those shown on the register (which are those in the table above). Therefore, despite the Opponent’s mark being blue in colour (and its claiming that colour in its registration), the colour difference between the marks is not especially significant in my comparison of the marks, since, for example, the Opponent’s mark may equally be rendered in black.
18. Both marks are lightly figurative renditions of the lower case word “vivo”, but the chosen fonts differ and whereas the Opponent’s mark involves a dot to its “i” and a letter “o” that are both strongly circular, the dot of the Holder’s “i” has the shape of a diamond or tilted square, and its letter “o” is flattened and elongated. It cannot therefore be said that the Holder’s mark reproduces all the elements constituting the trade mark, without any modification or addition.
19. However, I find that, viewed as a whole, the Holder’s mark contains differences so insignificant that they may go unnoticed by an average consumer. I therefore consider the parties’ marks to be identical. I also note that the counterstatement does not deny nor appear in any way to take issue with the claimed identity of the marks.

¹ Case C-291/00 at paragraph 54,

20. As to the goods opposed, the Holder is seeking protection in relation to goods in Class 9, namely *telephone apparatus; portable telephones*. The Opponent's registration includes "*telephone apparatus, image and sound transmitters and receivers; Telephones*". Those goods are plainly identical.
21. **The opposition therefore succeeds in full on the basis of section 5(1).** Since the goods are identical, I decline to consider the ground under section 5(2)(a), which involves only similarity between the goods or services.
22. If there is any question as to the marks being identical, then I also find that despite the contradictions and ambiguities set out in the pleadings section above, the Opponent in this case relied additionally on section 5(2)(b) of the Act, and I find that there is, as the Opponent claimed in its Form TM7, close similarity between the marks. Coupled with the identity between the goods, there patently "exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark" required by that provision of the Act. It is therefore clear that **the opposition would also succeed on the basis of section 5(2)(b)**. I disagree with the Holder's contentions in its counterstatement that the Opponent's mark is anything other than at least averagely distinctive and I find that the likelihood of confusion would arise even if there were an above average level of attention on the part of the consumer.
23. Having noted the various points made in the counterstatement, I make the following observations that bear on section 5(2):
- The Holder signals a measure of frustration as its trade mark is reportedly highly renowned. However, there is no formal counterclaim of earlier rights to the trade mark. Tribunal Practice Notice 4/2009 makes clear that defences to section 5 (2) claims based on the applicant for registration having used the trade mark before an opponent registered its mark are wrong in law. "*Section 5(2) of the Act turns on whether the attacker has an earlier trade mark compared to the mark under attack, as defined by section 6 of the Act. ... If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that*

*earlier mark/right, the proper course is to oppose or apply to invalidate the attacker's mark.*²

- The Holder states that “*no likelihood of confusion has ever emerged in consumers' minds, since the activities of each company are very specific*” – although the Opponent in its submissions in lieu states that it does in fact develop and sell telecommunications apparatus, including telephone handsets and also questions how the Holder could anyway be sure whether or not confusion has arisen. I find that in any event, a trade mark may be used in relation to any goods or services that fall reasonably within the specified coverage³ and it is clear from case law that actual confusion is not the issue for section 5(2) claims⁴. Consideration of likelihood of confusion is prospective and not to be restricted to the current marketing or trading patterns of the parties⁵.
- The Holder refers to the CJEU decision in *Budvar*⁶ quoting a section from paragraph 82 of that judgment to the effect that “*honest concurrent use of two identical trade marks designating identical products neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.*” However, it is clear that the circumstances that gave rise to the dispute in the *Budvar* case were exceptional and are materially distinct from the present case⁷.
- For a defence of honest concurrent use to succeed, I would need to be satisfied that the parties have traded in circumstances that the relevant public has been exposed to both marks and have been able to differentiate between them without confusion as to trade origin⁸. Not only has no evidence been filed in this case, but the Holder's own counterstatement suggests that the Opponent's mark has not been used in the UK. The defence of concurrent use and lack of confusion in the marketplace cannot therefore

² See the decision of Ms Anna Carboni, sitting as the Appointed Person in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09.

³ See annex to this decision.

⁴ For example, see paragraph 78 of the judgment of Kitchin L.J in *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220.

⁵ See *Oakley v OHIM* (Case T-116/06) at paragraph 76.

⁶ Case C-482/09 cited above.

⁷ See paragraphs 76 – 81 of that judgment.

⁸ See to that effect 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 paragraphs 42 to 45 and Alan Steinfield QC, sitting as a deputy judge of the High Court, in *Fiorelli Trade Mark* [2007] RPC 18. See also Carr J in *Victoria Plum Limited (trading as "Victoria Plumb") v Victorian Plumbing Limited and others*, [2016] EWHC 2911 (Ch), especially paragraph 73.

assist the Holder and my prima facie findings regarding the likelihood of confusion (at paragraph 22 above) are not disturbed.

COSTS

24. The Opponent has been successful and is entitled to a contribution towards its costs. In awarding costs I take account of the scale published in Tribunal Practice Notice 2/2016. In the circumstances I award the Opponent the sum of £600 (six hundred pounds) as a contribution towards the cost of the proceedings, calculated as follows:

Official fee for notice of opposition	£100 ⁹
Preparing a notice of opposition and statement of grounds	£200
Reviewing the Holder's counterstatement and filing written submissions in lieu of a hearing	£300
Total	£600

25. I therefore order Vivo Mobile Communication Co., Ltd. to pay Telefonica, S.A. the sum of £600 (six 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 04th day of July 2018

Matthew Williams
For the Registrar,
the Comptroller-General

⁹ The fee for filing a claim on section 5(1) and/or 5(2) grounds only is £100; the reimbursement reflects that the Opponent did not proceed on grounds other than those.

Annex

The Opponent's registered goods and services on which it relies

Goods in Class 9

Scientific, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision) life-saving and teaching apparatus and instruments; Apparatus for recording, transmission and reproduction of sound or images; Magnetic data carriers, recording and optical discs; data processing equipment and computers, recorded computer programs, screens (computer and television), keyboards (computer), computer mice, CD-ROMs, telephone apparatus, image and sound transmitters and receivers, telephone exchanges; Telephones; Telephone repeaters; Answerphones; Intercommunication apparatus; Interfaces (for computers); Game programs; Electronic pens (visual display units); Readers (data processing equipment); Computer peripheral equipment; Magnetic cards; Modems.

Services in class 35

Wholesaling and/or retailing in establishments and via global computer networks of scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments, apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording and optical discs, automatic vending machines and mechanisms for coin-operated apparatus, cash registers, calculating machines, data processing equipment and computers, recorded computer programs, computer and television screens, computer keyboards, computer mice, CD-ROMs, telephone apparatus, transmitters and receivers of sound and images, telephone exchanges, telephones, telephone repeaters, telephone answering machines, intercommunication apparatus, interfaces for computers, games programs, electronic pencils (visual display units), readers (data processing equipment), computer peripheral devices, magnetic encoded cards, modems

Services in class 38

Telecommunications, communications by computer terminals, communications by computer networks; Telephony services; Providing access to a global computer network; Rental of telecommunication equipment; Rental of message sending apparatus; Rental of modems; Rental of telephones; Electronic advertising (telecommunications); Communications by telephone; Connection by telecommunication to a worldwide computer network; Routing and link-up for telecommunications; Information about telecommunications; Electronic mails; cellular telephone communications; satellite transmission ; Teleconferencing services; Computer-aided transmission of messages and images; electronic mail; Providing Internet chatrooms.