

DECISION
of the First Board of Appeal
of 22 September 2016

In Case R 363/2016-1

Xiaomi Inc.

Floor 13, Rainbow City Shopping Mall II
of China Resources No. 68, Qinghe
Middle Street Haidian Dist
Beijing 100 085
People's Republic of China

Applicant / Appellant

represented by LØJE, ARNESEN & MEEDOM ADVOKATPARTNERSELSKAB,
Øster Allé 42, 6, 2100 København Ø, Denmark

v

Apple Inc.

1 Infinite Loop
Cupertino California 95014-2084
United States of America

Opponent / Respondent

represented by LOCKE LORD LLP, 201 Bishopsgate, EC2M 3AB London, United Kingdom

APPEAL relating to Opposition Proceedings No B 2 402 694 (European Union trade mark application No 12 780 987)

THE FIRST BOARD OF APPEAL

composed of Th. M. Margellos (Chairperson), Ph. von Kapff (Rapporteur) and M. Bra (Member)

Registrar: H. Dijkema

gives the following

Decision

Summary of the facts

- 1 By an application filed on 10 April 2014, Xiaomi Inc. ('the applicant') sought to register the word mark

MI PAD

for the following list of goods and services:

Class 9 – Portable and handheld electronic devices for transmitting, storing, manipulating, recording, and reviewing text, images, audio, video and data, including via global computer networks, wireless networks, and electronic communications networks; tablet computers, electronic book readers, periodical readers, digital audio and video players, digital camera, electronic personal organizers, personal digital assistants, electronic calendars, mapping and global positioning system (GPS) devices; computer peripheral devices; computer and portable and handheld electronic device accessories, namely, monitors, displays, keyboards, mouse, wires, cables, modems, disk drives, adapters, adapter cards, cable connectors, plug-in connectors, electrical power connectors, docking stations, charging stations, drivers, battery chargers, battery packs, memory cards and memory card readers, headphones and earphones, speakers, microphones, and headsets, cases, covers, and stands for portable and handheld electronic devices and computers; computer software for the development of content and service delivery across global computer networks, wireless networks, and electronic communications networks; downloadable audio works, visual works, audiovisual works and electronic publications featuring books, magazines, newspapers, periodicals, newsletters, journals and manuals on a variety of topics; computer software for transmitting, sharing, receiving, downloading, displaying, transferring, formatting, and converting content, text, visual works, audio works, audiovisual works, literary works, data, files, documents and electronic works via portable electronic devices and computers; computer game programs; downloadable music files; downloadable image files; video telephones; navigational instruments; screens [photoengraving];

Class 38 – Telecommunication access services; communication by computer; transmission of data and of information by electronic means, broadcasting or transmission of radio and television programs; provision of telecommunications connections to computer databases and the Internet; electronic transmission of streamed and downloadable audio and video files via computer and other communications networks; web casting services; delivery of messages by electronic transmission; streaming of video content, streaming and subscription audio broadcasting of spoken word, music, concerts, and radio programs, broadcasting prerecorded videos featuring music and entertainment, television programs, motion pictures, news, sports, games, cultural events, and entertainment-related programs of all kinds, via computer and other communications networks; providing on-line bulletin boards for the transmission of messages among computer users concerning entertainment in the nature of music, concerts, videos, radio, television, film, news, sports, games and cultural events; communication services, namely, providing users access to communication networks for the transfer of music, video and audio recordings; teleconferencing services; providing internet chatrooms; voice mail services; transmission of digital files.

- 2 The application was published on 26 May 2014.
- 3 On 22 August 2014, Apple Inc. ('the opponent') filed an opposition against the registration of the published trade mark application for all the above goods and services.

- 4 The grounds of opposition were those laid down in Articles 8(1)(b), 8(4) and 8(5) EUTMR.
- 5 The opposition was based inter alia on the following earlier right:

European Union trade mark No 8 817 281

IPAD

filed on 18 January 2010 and registered on 24 April 2013 for the following goods and services:

Class 9 – Computers, computer peripheral devices, computer terminals; computer hardware; computer gaming machines, monitors, displays, keyboards, cables, modems, printers, disk drives, adapters, adapter cards, connectors and drivers; blank computer storage media; magnetic data carriers; computer software and firmware, namely, operating system programs, data synchronization programs, and application development tool programs for personal and handheld computers; pre-recorded computer programs for personal information management, database management software, character recognition software, telephony management software, electronic mail and messaging software, paging software, mobile telephone software; database synchronization software, computer programs for accessing, browsing and searching online databases, computer hardware and software for providing integrated telephone communication with computerized global information networks; handheld digital electronic devices for data processing, information processing, storing and displaying data, transmitting and receiving data, transmission of data between computers and software related thereto; MP3 and other digital format audio players; hand held computers, tablet computers, personal digital assistants, electronic organizers, electronic notepads; mobile digital electronic devices for data processing, information processing, storing and displaying data, transmitting and receiving data, transmission of data between computers, global positioning system (GPS) devices, telephones; handheld and mobile digital electronic devices for the sending and receiving of telephone calls, faxes, electronic mail, and other digital data; cordless telephones; mobile telephones; parts and accessories for mobile telephones; facsimile machines, answering machines, cameras, videophones, telephone-based information retrieval software and hardware; electronic handheld units for the wireless receipt, storage and/or transmission of data and messages, and electronic devices that enable the user to keep track of or manage personal information; electronic communication equipment and instruments; telecommunications apparatus and instruments; computer software for the redirection of messages, Internet e-mail, and/or other data to one or more electronic handheld devices from a data store on or associated with a personal computer or a server; computer software for the synchronization of data between a remote station or device and a fixed or remote station or device; fonts, typefaces, type designs and symbols in the form of recorded data; discs and tapes bearing or for recording computer programs and software; computer and electronic games; computer equipment for use with any of the aforesaid goods; electronic apparatus with multimedia functions for use with any of the aforesaid goods; electronic apparatus with interactive functions for use with any of the aforesaid goods; accessories, parts, fittings, and testing apparatus for all the aforementioned goods; user manuals in electronically readable, machine readable or computer readable form for use with, and sold as a unit with, all the aforementioned goods; apparatus for data storage; hard drives; miniature hard disk drive storage units; pre-recorded vinyl records, audio tapes, audio-video tapes, audio video cassettes, audio video discs; audio tapes; CD-ROMs; digital versatile discs; mouse pads; batteries; rechargeable batteries; chargers; chargers for electric batteries; headphones; stereo headphones; in-ear headphones; stereo speakers; audio speakers; audio speakers for home; monitor speakers; speakers for computers; personal stereo speaker apparatus; radio receivers, amplifiers, sound recording and reproducing apparatus, electric phonographs, record players, high fidelity stereo apparatus, tape recorders and reproducing apparatus, loudspeakers, multiple

speaker units, microphones; digital audio and video devices; audio cassette recorders and players, video cassette recorders and players, compact disc players, digital versatile disc recorders and players, digital audio tape recorders and players; digital music and/or video players; radios; video cameras; audio, video, and digital mixers; radio transmitters; car audio apparatus; parts and fittings for all the aforesaid goods; bags and cases adapted or shaped to contain cameras and/or video cameras; mobile telephone covers; mobile telephone cases; mobile telephone cases made of leather or imitations of leather; mobile telephone covers made of cloth or textile materials; bags and cases adapted or shaped to contain MP3 players, hand held computers, tablet computers, personal digital assistants, global positioning system (GPS) devices, electronic organizers and electronic notepads; all of the aforesaid excluding integrated circuits and software for integrated circuits;

Class 16 – Paper, cardboard and goods made from these materials, not included in other classes; printed matter; book binding material; photographs; stationery; stickers; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks; printed publications; periodicals; books; magazines; newsletters; brochures; booklets; pamphlets; manuals; journals; leaflets; greeting cards; advertising and promotional material of paper or cardboard; catalogues relating to computer software; computer brochures; computer handbooks; computer hardware publications; computer hardware reference manuals; computer hardware users guide; computer instruction manuals; computer manuals; publications relating to technology, digital technology and gadgets; catalogues relating to musical apparatus and instruments; music books; music instruction manuals; music magazines; excluding adhesives, adhesive tape and sheets for stationary purposes;

Class 28 – Toys; games and playthings; playing cards; electronic hand-held game units; musical toys, games and playthings; toy audio apparatus; toy musical boxes; toy musical instruments; toy record players for playing tunes and cassettes; musical games; battery operated toys; electronic toys; electric computer games, other than those adapted for use with television receivers; electrical and electronic amusement apparatus (automatic, coin/counter freed); electronic games being automatic, coin-freed or counter-freed (other than those adapted for use with television receivers); hand-held electronic games and apparatus (other than those adapted for use with television receiver only); video games other than those adapted for use with television receivers only; automatic and coin-operated amusement machines; computer game apparatus other than coin operated or those adapted for use with television receivers; video output toys and games; electronically operated toys; interactive computer toys and games; musical toys and games; stand alone video game machines incorporating a means of display; toy handheld electronic devices; toy computers (not working); toy mobile telephones (not working); parts and fittings for all the aforesaid goods;

Class 35 – Creating indexes of online information, sites and other resources available on global computer networks for others;

Class 38 – Telecommunications; communication and telecommunication services; telecommunication access services; communications by computer; communication between computers; electronic sending of data and documentation via the Internet or other databases; supply of data and news by electronic transmission; providing telecommunication access to websites and electronic news services online allowing the download of information and data; providing telecommunication access to web sites on the Internet; delivery of digital music by telecommunications; providing wireless telecommunications via electronic communications networks; wireless digital messaging, paging services, and electronic mail services, including services that enable a user to send and/or receive messages through a wireless data network; one-way and two-way paging services; communication by computer, computer intercommunication; telex, telegram and telephone services; broadcasting or transmission of radio and television programmes; time sharing services for communication apparatus; provision of telecommunications access and links to computer databases and the Internet; electronic transmission of streamed and downloadable audio and video files via computer and other communications networks; webcasting services (transmission); delivery of messages by

electronic transmission; provision of connectivity services and access to electronic communications networks, for transmission or reception of audio, video or multimedia content; provision of telecommunications connections to electronic communication networks, for transmission or reception of audio, video or multimedia content; providing telecommunication access to digital music web sites on the Internet; providing telecommunication access to MP3 web sites on the Internet; delivery of digital music by telecommunications; provision of telecommunications connections to the Internet or computer databases; electronic mail services; telecommunication of information (including web pages); video broadcasting, broadcasting pre-recorded videos featuring music and entertainment, television programs, motion pictures, news, sports, games, cultural events, and entertainment-related programs of all kinds, via a global computer network; streaming of video content via a global computer network; subscription audio broadcasting via a global computer network; audio broadcasting; audio broadcasting of spoken word, music, concerts, and radio programmes, broadcasting pre-recorded videos featuring music and entertainment, television programmes, motion pictures, news, sports, games, cultural events, and entertainment-related programmes of all kinds, via computer and other communications networks; streaming of audio content via a global computer network; electronic transmission of audio and video files via communications networks; communication services, namely, matching users for the transfer of music, video and audio recordings via communication networks; providing on-line bulletin boards for the transmission of messages among computer users concerning entertainment, music, concerts, videos, radio, television, film, news, sports, games and cultural events; rental and hire of communication apparatus and electronic mail-boxes; electronic news services; electronic communications consultancy; facsimile, message collection and transmission services; transmission of data and of information by electronic means, computer, cable, radio, teleprinter, teleletter, electronic mail, telecopier, television, microwave, laser beam, communications satellite or electronic communication means; transmission of data by audio-visual apparatus controlled by data processing apparatus or computers; information, advisory and consultancy services relating to all the aforesaid; provision of telecommunication access time to web-sites featuring multimedia materials; providing telecommunication access to databases and directories via communications networks for obtaining data in the fields of music, video, film, books, television, games and sports; providing users with telecommunication access time to electronic communications networks with means of identifying, locating, grouping, distributing, and managing data and links to third-party computer servers, computer processors and computer users; providing temporary internet access to use on-line non-downloadable software to enable users to program audio, video, text and other multimedia content, including music, concerts, videos, radio, television, news, sports, games, cultural events, and entertainment-related programs; providing user access to the Internet (service providers);

Class 41 – Providing entertainment web-sites, via a global computer network, to enable users to program the scheduling of audio, video, text and other multimedia content, including music, concerts, videos, radio, television, news, sports, games, cultural events, and entertainment-related programs as they will be aired;

Class 42 – Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; computer hardware and software consulting services; rental of computer hardware and software apparatus and equipment; multimedia and audio-visual software consulting services; computer programming; support and consultation services for developing computer systems, databases and applications; graphic design for the compilation of web pages on the Internet; information relating to computer hardware or software provided on-line from a global computer network or the Internet; creating and maintaining web-sites; hosting the web-sites of others; providing search engines for obtaining data via communications networks; application service provider (ASP) services featuring software for use in connection with online music subscription service, software that enables users to play and program music and entertainment-related audio, video, text and multimedia content, and software featuring musical sound recordings, entertainment-related audio, video, text and multimedia content; providing search engines for obtaining data on a global computer network; information, advisory and consultancy services relating to all the aforesaid; operating search engines; computer consulting and support services for scanning information into computer discs.

- 6 By decision of 16 December 2015 ('the contested decision'), the Opposition Division upheld the opposition for all the contested goods and services on the grounds that there was a likelihood of confusion. It rejected the European Union trade mark application No 12 780 987 in its entirety. It gave, in particular, the following grounds for its decision:
- The opposition will firstly be examined in relation to the opponent's European Union trade mark registration No 8 817 281.
 - The goods and services are partly identical and partly similar.
 - The goods and services found to be identical and similar are directed at the public at large and at business customers with specific professional knowledge or expertise. The degree of attention will vary from average to high depending on the complexity and the price of the goods and services in question.
 - The Opposition Division finds it appropriate to focus the comparison of the signs on the Portuguese-speaking part of the relevant public.
 - The signs are visually similar to the extent that the earlier mark, 'IPAD', is fully incorporated in the contested sign. However, they differ in the additional letter, 'M', at the beginning of the contested sign and in the fact that the contested sign is a two-word mark whereas the earlier trade mark is a single-word mark. From the aural point of view, the signs are similar to the extent that they have in common the sound of the letters 'IPAD'. The additional letter 'M', although placed at the beginning of the contested sign, does not have a decisive, differentiating effect given that the remaining letters (four out of a total of five letters) are identical and within word elements of similar lengths. Both signs have two syllables and the second syllable, 'PAD', is identical. Overall, the signs have highly similar rhythms and intonations.
 - The definitions (in www.collinsdictionary.com) of the word 'PAD' make no reference at all to tablet computers or other electronic portable devices. Furthermore, this word does not belong to the basic vocabulary of English that can be understood by those consumers with a basic command of English and, therefore, it is most likely that the majority of Portuguese-speaking consumers will not grasp any meaning in the element 'PAD'.
 - The earlier mark has been found to have a normal degree of distinctiveness, despite the presence of a weak element, the prefix 'I', which is likely to be perceived as indicating that the relevant IT goods and services are somehow internet related. The mark's other element ('PAD') has no such direct relationship with the goods and services.
 - The differentiating elements are not sufficient in themselves to counteract the high degree of visual and aural similarity between the signs 'IPAD' and 'MI PAD'. The public will focus on the similar aspects of the marks.
 - Neither of the signs has a meaning for the Portuguese-speaking public. However, for the part of the relevant public that will break down the earlier

mark and understand the first letter, 'I', as the prefix 'I' commonly used to refer to the Internet, the signs are conceptually dissimilar.

- Based on the principle of imperfect recollection, it is considered that the established similarities between the signs are sufficient to cause at least the Portuguese-speaking part of the relevant public to believe that the conflicting identical and similar goods and services come from the same undertaking or from economically-linked undertakings.
 - The applicant's statement that the element 'PAD' will be understood by consumers as referring to a tablet computer is not supported by evidence or convincing arguments and, consequently, cannot be upheld.
 - The existence of several trade mark registrations featuring the suffix 'PAD' in Classes 9 and 38 is not per se particularly conclusive, as it does not necessarily reflect the situation in the market. It does not demonstrate that consumers have been exposed to widespread use of, and have become accustomed to, trade marks that include the element 'PAD'.
 - There is a likelihood of confusion on the part of the Portuguese-speaking part of the public. As stated above in section b) of this decision, a likelihood of confusion for only part of the relevant public of the European Union is sufficient to reject the contested application.
 - Therefore, the opposition is well founded on the basis of the opponent's European Union trade mark registration No 8 817 281. It follows that the contested mark must be rejected for all the contested goods and services.
 - Since the opposition is successful on the basis of the inherent distinctiveness of the earlier mark, there is no need to assess the enhanced degree of distinctiveness of the opposing mark due to reputation as claimed by the opponent. The result would be the same even if the earlier marks enjoyed an enhanced degree of distinctiveness.
 - As the earlier European Union trade mark registration No 8 817 281 leads to the success of the opposition and to the rejection of the contested mark for all the goods and services against which the opposition was directed, there is no need to examine the other earlier rights invoked by the opponent.
 - Since the opposition is fully successful on the basis of the ground of Article 8(1)(b) CTMR, there is no need to further examine the other grounds of the opposition, namely Articles 8(4) and 8(5) CTMR, and also Article 8(2)(c) CTMR in conjunction with Article 8(1)(b) CTMR.
- 7 On 16 February 2016, the applicant filed an appeal against the contested decision, requesting that the decision be entirely set aside. The statement of grounds of appeal was received on 15 April 2016.
- 8 In its observations in reply received on 20 June 2016, the opponent requests that the appeal be dismissed.

Submissions and arguments of the parties

- 9 The arguments raised in the statement of grounds may be summarised as follows:
- The degree of the public’s attention in respect of the goods and services covered by the mark will be high to very high as the relevant will search for these products and give careful consideration before purchasing such goods and services.
 - The first word of the contested mark ‘MI’ is clearly more distinctive than the second part. ‘MI’ has no meaning in relation to the relevant goods and services nor does the word have any meaning in the Portuguese language.
 - The prefix ‘I’ of the earlier mark is widely understood as a reference to the Internet and the (Portuguese) public will perceive it as indicating that the relevant IT goods and services are somehow internet-related.
 - The Office erred in claiming that the other element of the earlier mark ‘PAD’ has no direct relationship with the relevant goods and services and therefore considered it to be the distinctive element of the mark.
 - The Office and the Boards of Appeal stated on various occasions that the word ‘PAD’ has a descriptive meaning in relation to goods of Class 9.
 - Therefore, the element ‘PAD’ is not distinctive in relation to goods and services related to, particularly, tablets and tablet computers.
 - The opponent itself did not see the element ‘PAD’ as distinctive, but relied on the distinctiveness of the initial letter ‘I’ as not referring to internet or interactive functions.
 - The Portuguese-speaking part of the public naturally has a sufficient command of English to recognize the word ‘pad’ and understand the meaning and descriptive nature of this word.
 - The Portuguese public is likely to pronounce the earlier word mark ‘IPAD’ as ‘ai paed’ while it will pronounce the trade mark applied for as ‘mi: paed’. Contrary to the Opposition Division’s findings the signs are therefore aurally not similar.
 - Over the past five to six years, the term ‘PAD’ has clearly become synonymous with a tablet computer.
 - The degree of distinctiveness of the invoked trade mark is very low as it consists of the element ‘PAD’, that describes a tablet computer and the weak/descriptive element ‘I’.
 - The marks are visually different because the contested mark consists of two words whereas the earlier mark consists of one word only and the contested mark begins with the dominant letter ‘M’.

- The contested mark consists of two words rather than two syllables.
 - There are various existing registrations incorporating the element ‘PAD’ as existing EU word mark registrations, national and international word marks covering goods and services in Classes 9 and 38. The invoked trade mark therefore already co-exists with a large number of other ‘PAD’ marks.
 - The market in Portugal, France and Italy as well as in other EU countries shows the co-existence of a number of tablet products all referred to as ‘pad’, such as inter alia ZENPAD, MEMOPAD or GPAD.
- 10 The arguments raised in reply to the appeal may be summarised as follows:
- A likelihood of confusion can exist despite a high degree of attention.
 - The terms ‘MI’ and ‘PAD’ both have no meaning in Portuguese.
 - The fact that the ‘MI PAD’ mark consists of two words is not relevant in assessing the visual similarity of the marks, particularly given, that the IPAD mark is wholly incorporated in the ‘MI PAD’ mark.
 - The applicant uses the mark in connection with a tablet computer with the ‘Mi Pad’ stylisation which mimics the ‘iPad’ stylisation.
 - The word ‘PAD’ is not related to the Internet and can have different meanings when used as a noun.
 - The majority of the Portuguese-speaking consumers will not understand the word ‘PAD’.
 - The applicant has not demonstrated that the term ‘PAD’ is used as a generic term to describe ‘tablets’ or ‘tablet computers’, particularly in Portugal.
 - The prior mark has an enhanced distinctive character and reputation.
 - The majority if not all of the PAD-formative marks alleged by the applicant are not as closely similar to the opponent’s ‘IPAD’ mark as the applicant’s ‘MI PAD’, especially as it entirely comprises the earlier mark.
 - The evidence submitted by the applicant does not demonstrate that the term ‘PAD’ is commonly used as a generic term to refer to ‘tablets’ or ‘tablet computers’ particularly in Portugal and the Internet searches were conducted in April 2016, two years after the filing date of the application on 10 April 2014.

Reasons

- 11 The appeal complies with Articles 58, 59 and 60(1) EUTMR and Rules 48 and 49 CTMIR. It is, therefore, admissible.

- 12 However, the appeal is not well founded and the contested decision cannot be annulled.

European Union trade mark No 8 817 281 ‘ IPAD ’

Article 8(1)(b) EUTMR – Likelihood of confusion

Relevant public

- 13 With regard to the relevant public, the Court of Justice has held that a likelihood of confusion exists if there is a risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings (29/09/1998, C-39/97, Canon, EU:C:1998:442, § 29). According to the Court it is the perception of marks in the mind of the relevant public of the goods or services in question that plays a decisive role in the global assessment of the likelihood of confusion (11/11/1997, C-251/95, Sabèl, EU:C:1997:528, § 23; 22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 25).
- 14 The conflicting goods and services in Class 9 and 38 are directed to the public at large and to business customers with specific professional knowledge. The average consumer of the contested goods and services is deemed to be reasonably well informed and reasonably observant and circumspect.
- 15 As the earlier right is a EUTM, the relevant territory is the European Union.

Comparison of the goods and services

- 16 Article 8(1)(b) EUTMR provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar. Therefore, in all cases it is necessary to consider if the degree of similarity between the goods or services covered. In relation to the assessment of the similarity of goods or services the following factors, inter alia, should be taken into account: their nature, their purpose and their method of use and whether they are in competition with each other or are complementary 29/09/1998, C 39/97, Canon, EU:C:1998:442, § 28).
- 17 As the Opposition Division stated correctly, the contested goods and services of the trade mark applied for are partly identical and partly similar to the goods and services of the earlier trade mark. Also, these findings have not been contested by the parties in the appeal proceedings.

Comparison of the signs

- 18 Conflicting trade marks have to be compared via a global appreciation of the visual, aural or conceptual similarity between them bearing in mind, in particular, their distinctive and dominant components (22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 25).

- 19 According to settled case-law, the global assessment of the likelihood of confusion must, so far as concerns the visual, phonetic or conceptual similarity of the marks at issue, be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant elements. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global assessment of that likelihood of confusion. The average consumer normally perceives a mark as a whole and does not engage in an analysis of its various details (12/06/2007, C-334/05 P, ECR, EU:C:2007:333, § 35).
- 20 The contested mark ‘MI PAD’ and the earlier right ‘IPAD’ are both word marks.

Visual comparison

- 21 Visually the contested mark consists of the two word elements ‘MI’ and ‘PAD’, while the earlier right consists of the single word ‘IPAD’.
- 22 As the Opposition Division correctly stated, the two signs coincide in the sequence of the letters ‘I-P-A-D’, which are all the letters in the earlier trade mark and four letters out of a total of five in the contested sign. Therefore, the earlier sign is fully incorporated in the contested sign. However, the signs differ in the first letter, ‘M’ of the contested sign, which has no counterpart in the earlier trade mark. Therefore, the signs are visually highly similar.

Aural comparison

- 23 The signs coincide in the number of syllables ‘MI-PAD’ and ‘I-PAD’.
- 24 The pronunciation coincides in the sound of the second syllable ‘PAD’. The pronunciation also coincides in the first syllable as far as the letter ‘I’ is concerned and differs only in the first letter ‘M’ of the contested mark. The stress in both marks is on the vowel ‘I’ which leads to an almost identical intonation.
- 25 Even if, as the applicant claims, the letter ‘I’ would be pronounced in a different way in non-English-speaking countries, such as Portugal, this would – contrary to the argument of the applicant – be the case for both word marks and not only for one of them. Therefore, the pronunciation of both marks is highly similar.

Conceptual comparison

- 26 Two signs are identical or similar conceptually when they are perceived as having the same or analogous semantic content (11/11/1997, C-251/95, Sabèl, EU:C:1997:528, § 24). The ‘semantic content’ of a mark is what it means, what it evokes or, when it is an image or shape, what it represents.
- 27 The Opposition Division found it appropriate to focus the comparison of the signs on the Portuguese-speaking part of the relevant public in the European Union and correctly stated that neither of the signs has a meaning in Portugal. This might be correct also for other countries in the European Union, where the word ‘PAD’ or the words ‘IPAD’ and ‘MI PAD’ have no meaning.

28 In this context it should be kept in mind that it is sufficient if a likelihood of confusion exists for the public in only a part of the relevant territory, which is in the present case the European Union.

29 Contrary to the Opposition Division's findings the word 'PAD' is used by the English-speaking public as a synonym for a notebook or tablet:

'pad

"he was making notes on a pad"

notebook, notepad, writing pad, memo pad, jotter, tablet, block, sketch pad, sketchbook;'

(<http://www.oxforddictionaries.com/definition/english-thesaurus/pad>, 11/08/2016).

30 Therefore, the relevant public in English-speaking countries of the European Union as well as the public in other parts of the European Union, where the word 'PAD' will be understood – as the applicant claims – will understand the word 'PAD' as 'tablet' or 'tablet computer'. That the word 'PAD' might also have other meanings, as the opponent claims, is not relevant.

31 Therefore, both word marks are conceptually identical for the English-speaking public as far as the word element 'PAD' is concerned. The word elements 'MI' or 'I' have no clear meaning and do therefore not influence the similarity of the signs. For the part of the relevant public that perceives the letter, 'I', of the earlier right as the prefix 'I', and understands this as referring to the Internet, the signs are conceptually dissimilar only in their first part. The word element 'MI' of the contested mark could be understood as 'my' by the English-speaking public due to the identical pronunciation.

32 As a result the signs are visually and aurally highly similar. Conceptually, they are highly similar in the English-speaking part of the European Union, due to the common word element 'PAD', while the conceptual comparison in other parts of the European Union rests neutral.

Distinctive and dominant elements of the signs

33 The marks under comparison have no elements which could be considered clearly more dominant (visually eye-catching) than other elements.

34 Contrary to what the applicant held, the 'M' in the applicant's word mark is not more dominant than any other letter in the mark. Also the applicant did not give any reasoning for this argument.

35 The word element 'PAD' has a low distinctiveness for the relevant goods and services in Class 9 and 38, which are linked to tablets or tablet computers in those parts of the European Union, where English is understood, while it has a normal or high distinctiveness in the rest of the European Union.

- 36 The word element 'I' in the earlier trade mark has a low distinctiveness for the relevant goods and services in Class 9 and 38 for the public that will break down the mark into the prefix. As the Opposition Division correctly pointed out, the prefix 'I' is widely understood as a reference to the Internet and it is likely that the relevant public will understand the letter 'I' as indicating a relationship between the relevant IT goods and internet services.
- 37 On the other hand the worldwide success of Apple products such as 'iMac', 'iPhone', 'iPod' and the 'iPad' has to be taken into consideration. The interpretation is well-known. Various dictionaries in the European Union such as for example the *Oxford English Dictionary* define the 'iPod' as an Apple product:
- 'Etymology: < i- (apparently originally in Internet n.) + pod n.1, after iMac, a proprietary name for a brand of personal computer introduced in 1998.'
- 'A proprietary name for: a brand of portable media player which stores and plays digital audio (or video, etc.) files.'
- (<http://www.oed.com/view/Entry/276432?redirectedFrom=ipod#eid>).
- 38 This suggests that the association of the prefix 'I' with IT-goods and internet services is rather allusive (i.e. an implied or inferred reference) than being directly descriptive and is, in any event, based on the reputation of Apple's goods marketed with that prefix (30/05/2011, R 145/2011-2, IPAD, § 10).
- 39 The word element 'MI' of the contested mark will be read as 'my' by the English-speaking public. Therefore, 'my pad' will be understood as a possessive or somehow personalized form of a 'pad' or the goods and services covered by the 'MI PAD' mark. The distinctiveness of the contested mark therefore rests equally low in those countries of the European Union where 'MI' will be understood as 'my', which might be the case also in other countries, such as Portugal or Spain for example.

Distinctiveness of the earlier mark

- 40 In determining the degree of distinctive character of a trade mark, an overall assessment has to be made of the greater or lesser capacity to identify the goods for which it has been registered as coming from a particular undertaking. Account should be taken of the inherent characteristics of the mark, including the fact that it does or does not contain an element that is descriptive of the goods for which it has been registered and other criteria; in particular, how intensive, geographically widespread and long-standing the use of the mark has been (22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 22-23). The more distinctive the earlier trade mark, the greater will be the likelihood of confusion (11/11/1997, C-251/95, Sabèl, EU:C:1997:528, § 24). Therefore, marks with a highly distinctive character, enjoy broader protection than marks with a less distinctive character (29/09/1998, C-39/97, Canon, EU:C:1998:442, § 18).
- 41 Contrary to the findings of the Opposition Division the distinctiveness of the earlier mark per se, at least in those parts of the European Union where English is

understood, might be rather low, as both of the word elements ‘I’ and ‘PAD’ can be understood as having a relationship with the relevant goods and services.

- 42 For reasons of procedural economy the Board of Appeal will not assess the evidence filed by the opponent in respect of the acquired enhanced distinctiveness as a consequence of the use of its mark and assume that the mark has a low distinctiveness with respect to the relevant goods and services.
- 43 Article 8(2)(a)(i) EUTMR expressly provides, in opposition proceedings, for EUTMs to be taken into consideration as earlier trade marks. It follows that, in order to avoid infringing Article 8(1)(b) EUTMR, it is necessary to acknowledge a certain degree of distinctiveness of the earlier EUTM on which the opposition against the registration of the applicant’s trade mark is based (24/05/2012, C-196/11 P, F1-Live, EU:C:2012:314, § 46, 47).
- 44 Therefore, and without taking into consideration a possible enhanced distinctiveness of the earlier mark in the context of the claimed reputation of the ‘i-products’ family of the opponent, the distinctiveness of the earlier mark rests low.

Overall assessment of the likelihood of confusion

- 45 The risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 8(1)(b) EUTMR (11/11/1997, C-251/95, Sabèl, EU:C:1997:528, § 16, 18; 29/09/1998, C-39/97, Canon, EU:C:1998:442, § 30).
- 46 The essential function of the trade mark is to guarantee the identity of the origin of the marked product for the consumer or end user by enabling him, without any likelihood of confusion, to distinguish a product or service from those of others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the EUTMR seeks to uphold, it must offer a guarantee that all the goods or services showing the mark have originated under the control of a single undertaking which is responsible for their quality (29/09/1998, C-39/97, Canon, EU:C:1998:442, § 28; see also seventh recital of the EUTMR).
- 47 The appreciation of the likelihood of confusion on the part of the public depends on numerous elements and, in particular, on the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified (seventh recital of the EUTMR). It must be appreciated globally, taking into account all factors relevant to the circumstances of the case (22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 18; 11/11/1997, C-251/95, Sabèl, EU:C:1997:528, § 22).
- 48 Such a global assessment of the likelihood of confusion implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between the goods or services. Accordingly, a

greater degree of similarity between the goods may be offset by a lower degree of similarity between the marks, and vice versa (22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 20; 11/11/1997, C-251/95, Sabèl, EU:C:1997:528, § 24; 29/09/1998, C-39/97, Canon, EU:C:1998:442, § 17).

- 49 In the present case, the conflicting marks are claimed for identical or similar goods and services in Class 9 and 38. Both companies are competitors in the production of inter alia tablet computers or telecommunication services. Identical goods and services satisfy the same needs, are offered in the same places, e. g. in shops for electronic devices, and are interchangeable. Therefore, the rule has been established that for identical or similar goods the trade marks should maintain sufficient distance from each other.
- 50 This is not the case with regard to the conflicting marks at issue though. The signs are visually and phonetically highly similar and differ only in one letter. The earlier sign is fully incorporated in the contested sign. The pronunciation and sound is almost identical. Conceptually, the signs are similar in the English-speaking countries because of the common element 'PAD' which refers to a 'tablet computer'. The consumer will suppose that 'MI PAD' in comparison to 'IPAD' might rather be a somehow personalized 'IPAD' but not assume it to be a product coming from another undertaking. The conceptual comparison in other parts of the European Union (including Portugal) rests neutral and the comparison of the signs will be reduced to its high visual and phonetic similarity.
- 51 As regards the applicant's argument with regard to previous decisions of the Office in conflicts between identical or similar trade marks, it is settled case-law that the legality of the decisions of the Office is to be assessed purely by reference to the EUTMR and not the Office's practice in earlier decisions (30/06/2004, T-281/02, Mehr für Ihr Geld, EU:T:2004:198, § 35). Accordingly, the Office is not bound by its previous decisions, since each case has to be dealt with separately and with regard to its particularities.
- 52 In this respect it also has to be stated that the signs mentioned by the applicant such as inter alia 'ZENPAD', 'MEMOPAD' or 'GPAD', even if they all contain the word element 'PAD' have a much lower degree of similarity in comparison to the conflicting signs 'MI PAD' and 'IPAD' in the present proceedings.
- 53 The public will focus on the similar aspects of the marks. Consumers tend to remember similarities rather than dissimilarities between signs and average consumers rarely have the chance to make a direct comparison between different marks, but must trust in their imperfect recollection of them (22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 26).
- 54 While the distinctiveness of the earlier mark might be slightly lower than the one of the contested mark due to the letter 'I' which could be understood as indicating a relationship with the Internet or respective IT goods or services the distinctiveness of the contested mark is equally low as the element 'MI' in the mark 'MI PAD' might be understood simply as meaning 'my pad'.

- 55 But even if the word element 'MI' would not be associated by the public to any meaning, the distance between the two differing elements 'MI' and 'I' is too close to allow the public to differentiate between the two marks. The differentiating element 'M' at the beginning of the contested sign is not sufficient to counteract the high degree of visual and aural similarity between the signs 'IPAD' and 'MI PAD'. The public will focus on the similar aspects of the marks.
- 56 Therefore, the relevant public even supposing it has a higher level of attention, will believe that the goods and services in question come from the same undertaking or, as the case may be, from an economically-linked undertaking. The consumer will not be able to distinguish between the two signs in the sense that it can relate the relevant products according to their origin to the respective undertaking and will rather believe that 'MI PAD' is a variation of the mark 'IPAD'.
- 57 It follows that there exists a likelihood of confusion on the part of the public between the earlier trade mark and the applicant's mark even without taking into consideration a possible enhanced distinctiveness of the earlier mark in the context of the claimed reputation of the 'i-products' family of the opponent.
- 58 As a result, the Opposition Division correctly stated, that EUTM No 8 817 281 leads to the success of the opposition and to the rejection of the contested mark for all the goods and services and that the trade mark application is not eligible for registration pursuant to Article 8(1)(b) EUTMR. Therefore, the decision of the Opposition Division cannot be annulled.

Costs

- 59 Since the appeal is dismissed and the applicant is the losing party, it must bear the fees and costs of the opponent in accordance with Article 85(1) EUTMR and Rule 94(1) CTMIR.
- 60 Pursuant to Article 85(6) EUTMR the Board shall fix the amount of the costs to be paid when they are limited to the fees paid to the Office and to the winning party's representation costs of a professional representative in the sense of Article 93(1) EUTMR, which amount to EUR 550 as specified in Rule 94(2) and (7)(d) CTMIR, irrespective if they have actually been incurred. With respect to the costs of the opposition procedure, the contested decision already contains a decision allocating and fixing the costs. Any final decision fixing the amount of costs shall be enforceable pursuant to Article 86 EUTMR.

Order

On those grounds,

THE BOARD

hereby:

- 1. Dismisses the appeal;**
- 2. Orders the applicant to bear the costs of the opponent in the appeal proceedings, which are fixed at EUR 550.**

Signed

Th. M. Margellos

Signed

Ph. von Kapff

Signed

M. Bra

Registrar:

Signed

H.Dijkema

