

BENELUX OFFICE FOR INTELLECTUAL PROPERTY CANCELLATION DECISION N° 3000287 of 01 November 2022

Claimant: QUANTUM HOSTING SUPPORT UNLIMITED

Bloomfield Avenue 54 BT5 5AD Belfast United Kingdom

against

Defendant: Yuri Karamian h.o.d.n Karamian IT Consulting

Heusdenbaan 39 9090 Melle Belgium

Contested trademark: Benelux registration 1429889

QuantumHost

I. FACTS AND PROCEEDINGS

A. Facts

- 1. On 31 March 2021 the claimant filed an application for cancellation with the Benelux Office for Intellectual Property (hereinafter: "the Office" or "BOIP") in accordance with Article 2.30bis (1)(b) of the Benelux Convention on Intellectual Property (hereinafter: "BCIP"), invoking the relative grounds for invalidity as stated under Article 2.2ter (1)(b) BCIP, namely that there exists a likelihood of confusion on the part of the public and under Article 2.2ter (3)(a), namely that the contested trademark takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the earlier trademark.
- 2. The application for cancellation is based on the earlier EU trademark 18019292 of the word mark QUANTUM HOSTING, filed on 5 February 2019 and registered for services in class 42.
- 3. According to the register the claimant is the actual holder of the earlier trademark invoked.
- 4. The application for cancellation is aimed at Benelux registration 1429889 of the word mark QuantumHost, filed on 23 November 2020 and registered on 23 February 2021 for services in class 42.
- 5. The cancellation claim is directed against all services of the contested trademark and is based on all services of the invoked earlier trademark.
- 6. The language of the proceedings is English.

B. Course of the proceedings

7. The application for cancellation is admissible and was notified by the Office to the parties on 29 April 2021. During the administrative phase of the proceedings both parties filed arguments. The course of the proceedings meets the requirements as stated in the BCIP and the Implementing Regulations (hereinafter: "IR"). The administrative phase was completed on 28 May 2021.

II. ARGUMENTS

A. Claimant's arguments

- 8. The claimant explains he noticed the usage of the word QuantumHost along with the domain name quantumhost.org by the defendant and that he notified him on the same day and filed the current cancellation. Claimant states that he has no licensing agreement with the applicant. Upon the first notification by the claimant, the defendant apologized and made his intentions clear to rebrand. The claimant concludes that this communication shows the defendant acknowledging a likelihood of confusion.
- 9. The claimant asks the Office if any notification of potentially conflicting prior trademarks was given to the defendant. The applicant strongly believes that the defendant knew about the prior existing trademark of the claimant and that he knowingly registered a trademark in bad faith.
- 10. As to the examination of the similarity the claimant finds that, since lower-case and upper-case letters do not matter when comparing them, QUANTUM HOSTING is the same as Quantum Hosting, the space between both words being an immaterial element. Comparison of both word marks QUANTUM

HOSTING and QuantumHost learns that 11 out of 14 letters match exactly and in the same order, according to the claimant.

- 11. The claimant analyses the services of both trademarks and concludes that the services descriptions are matching at one hundred percent.
- 12. The claimant concludes that there is a likelihood of confusion. He requests the Office to grant the application for a declaration of invalidity in its entirety and to cancel the registration of the contested trademark.

B. Arguments of the defendant

- 13. With his arguments the defendant submits more emails from the communication as referred to by the claimant (see paragraph 8). After expressing his intentions to rebrand, the defendant changed his mind and told the claimant that "as long as BOIP does not tell us that our brand is not allowed, we have no reason for rebranding".
- 14. The defendant states that the claim is made outside the "regulatory three-month opposition period" and that BOIP would have declined the registration if the trademark would not comply with statutory rules. The defendant accuses the claimant to having "manipulated SEO (Search Engine Optimization)", because before registering his trademark QuantumHost no Internet search results appeared.
- 15. According to the defendant QuantumHost and QUANTUMHOSTING are different, because "Host" is not the same as "HOSTING'. In reference to the comparison of the services made by the applicant, the defendant says that the claimant only offers "AWS reseller Hosting" and that he is a domain names reseller.¹ The defendant "is not sure why so many classes/subclasses are defined".
- 16. The defendant concludes his argumentation by stating that everything was perfectly legal and without any intention to harm any other trademarks.

III. DECISION

A.1 Likelihood of confusion

- 17. Pursuant to Article 2.30bis (1)(b)(i) BCIP the proprietor of an earlier trademark may file an application for invalidation with the Office against a trademark which ranks after his own in accordance with the provisions in Article 2.2ter BCIP.
- 18. Article 2.2ter (1) BCIP stipulates, as far as relevant in this case: "a trademark shall, [...], if registered, be liable to be declared invalid where: (...) b. because of its identity with, or similarity to, the earlier trademark and the identity or similarity of the goods or services covered by the trademarks, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association with the earlier trademark."²

¹ Apparently the defendant refers to Amazon Web Services (AWS).

² Article 2.2ter, 1 (b) BCIP implements article 5, 1 (b) Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks. A similar provision can be found in article 8, 1 (b) Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark.

- 19. A likelihood of confusion within the meaning of this provision exists if the public may believe that the goods or services designated by that trademark and those covered by the trademark applied for come from the same undertaking or, where appropriate, from undertakings which are economically linked.³
- 20. According to settled case-law of the CJEU, the existence of a likelihood of confusion in the mind of the public must be assessed globally, considering all the relevant circumstances of the individual case, including the degree of similarity between the signs at issue and the goods or services concerned, the degree of recognition of the earlier trademark and the degree of distinctiveness inherent or acquired through use of the earlier trademark.⁴

Comparison of the services

- 21. In assessing the similarity of the goods or services concerned, all the relevant factors relating to these goods or services themselves should be considered. These factors include, inter alia, their nature, their end-users and their method of use and whether they are in competition with each other or are complementary.⁵
- 22. In comparing the goods or services, the goods or services shall be considered in the terms set out in the register, and not the actual or intended use.⁶
- 23. The services to be compared are the following:

Cancellation based on: Cl 42 Anti-spamming services; Application service provider [ASP], namely, hosting computer software applications of others; Cloud computing services; Cloud hosting provider services; Creating, maintaining and hosting the web sites of others; Data migration services; Data security services; Encryption, decryption and authentication of information, messages and data; Evaluation of performance of computer systems against bench-mark references; Evaluation of performance of dataprocessing against bench-mark references; Hosting computer software applications for others; Hosting internet sites for others; Hosting memory space for websites; Hosting memory space on the Internet; Hosting of computerized data, files, applications and information; Hosting of databases; Hosting of digital content; Hosting of websites; Hosting platforms on the Internet; Infrastructure as a Service [IaaS]; Monitoring of computer

Cancellation directed against:

Cl 42 Web hosting; Hosting websites; Server hosting; Hosting web sites; Web hosting services; Website hosting services; Hosting of websites; Hosting of servers; Hosting of databases; Hosting web portals; Hosting of weblogs; Hosting of podcasts; Hosting computer sites; Hosting computer sites [websites]; Web site hosting services; Hosting of web sites; Cloud hosting provider services; Hosting of mobile websites; Hosting memory space for websites; Private cloud hosting provider service; Hosting of platforms on the Internet; Hosting memory space on the Internet; Hosting of portals on the internet; Hosting the computer sites (web sites) of others; Hosting the web sites of others; Hosting computer sites [web sites]; Hosting platforms on the Internet; Hosting of customized web pages; Hosting the websites of others; Public

³ CJEU 11 June 2020, C-115/19 P, ECLI:EU:C:2020:469, point 54 (China Construction Bank).

⁴ CJEU 4 March 2020, C-328/18 P, ECLI:EU:C:2020:156, point 57 (Equivalenza) and the case-law mentioned there.

⁵ CJEU 29 September 1998, C-39/97, ECLI:EU:C:1998:442, point 23 (Canon).

⁶ General Court (EU) 16 June 2010, T-487/08, ECLI:EU:T:2010:237, point 71 (Kremezin).

systems by remote access; Monitoring of computer systems for detecting unauthorized access or data breach; Monitoring of computer systems for security purposes; Monitoring of computer systems to detect breakdowns; Private cloud hosting provider service; Providing virtual computer environments through cloud computing; Providing virtual computer systems through cloud computing; Public cloud hosting provider service; Remote server administration; Server administration; Server hosting; Web hosting services; Website development services; Website hosting services; Website load testing services; Website usability testing services; Computer disaster recovery planning; Data recovery services; Hosting of servers.

cloud hosting provider service; Hosting websites on the Internet; Hosting internet sites for others; Hosting webpages for others; Hosting of digital content; Hosting of communication platforms on the internet; Hosting on-line web facilities for others.

24. Having regard to the principle of hearing both sides, the cancellation proceedings are limited to the arguments, facts and evidence put forward by the parties. The claimant argues that the services in class 42 of the contested trademark and the services in class 42 of the earlier invoked trademark are ("one hundred percent") identical (see paragraph 11). The defendant does not dispute the identity or similarity of the services. He only seems to state that the claimant does not use the trademark for all the services mentioned (see paragraph 15). For completeness sake the Office repeats what has been before (see paragraph 22), namely that the comparison only takes into account the services as mentioned in the register and not the actual use. The identity of the services concerned is thus manifestly *in confesso*, so that the Office need not examine it further.

Comparison of the trademarks

- 25. To assess the degree of similarity between the conflicting signs, their visual, phonetic and conceptual similarity should be determined. Although the comparison must be based on the overall impression that the signs leave in the memory of the relevant public, it must nevertheless be made in the light of the intrinsic qualities of the conflicting signs.⁸
- 26. Although the comparison must be based on the overall impression made by those signs on the relevant public, account must nevertheless be taken of the intrinsic qualities of the signs at issue. The overall impression created in the mind of the relevant public by a complex trademark may, in certain circumstances, be dominated by one or more of its components. Regarding the assessment whether this is the case, account must be taken, in particular, of the intrinsic qualities of each of those components by comparing them with those of other components. In addition and accessorily, account may be taken of the relative position of the various components within the arrangement of the complex mark.

⁷ Article 2.30ter (1) BCIP in conjuction with rule 1.21 IR.

⁸ CJEU 4 March 2020, C-328/18 P, ECLI:EU:C:2020:156, point 71 (Equivalenza).

⁹ CJEU 4 March 2020, C-328/18 P, ECLI:EU:C:2020:156, point 71 and the case-law mentioned there (Equivalenza)

⁽Equivalenza).

10 General Court (EU) 23 October 2002, T-6/01, ECLI:EU:T:2002:261, points 34 en 35 (Matratzen) en 13 December 2007, T-242/06, ECLI:EU:T:2007:391, point 47 (El Charcutero Artesano).

- 27. The assessment of the similarity between the signs, regarding the visual, aural and conceptual similarity of the signs, must be based on the overall impression created by them, taking into account, inter alia, their distinctive and dominant components.
- 28. The trademarks to be compared are the following:

Earlier trademark:	Contested trademark:
QUANTUM HOSTING	QuantumHost

Visual comparison

- 29. The trademark invoked is a word mark consisting of two words of seven letters each, QUANTUM and HOSTING. The contested trademark consists of one word of eleven letters, QuantumHost. The Office follows the claimant in his statement that the difference in the use of upper- and lower-case letters in a word mark is irrelevant (see paragraph 10). The protection offered by the registration of a word mark applies to the word stated in the application for registration and not to the individual graphic or stylistic characteristics which that mark might possess.¹¹
- 30. However, even though it does not affect the scope of protection, the use of the upper-case letter H in the contested trademark will not escape the attention of the relevant public. It does have an effect on the visual perception and thus the visual comparison, because the contested trademark will clearly be seen as being composed of the two words Quantum and Host. This contributes to the visual similarity of both trademarks, whereas the first word, QUANTUM is completely identical in both trademarks and the second word being highly identical because it only differs in the end part, HOSTING versus Host. Consumers generally attach more importance to the beginning of a trademark which is in general read from left to right.¹²
- 31. The trademarks are visually highly similar.

Aural comparison

- The trademark invoked consists of four syllables, QUAN-TUM-HOST-ING, whereas the contested trademark will be pronounced in three syllables, Quan-tum-Host. The first three syllables are identical and will therefore be pronounced identically. The only difference is found in the additional syllable at the end of the trademark invoked. Also, in the case of the aural comparison, consumers generally attach more importance to the beginning of a trademark.¹³
- 33. The marks are highly similar from an aural perspective.

Conceptual comparison

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¹¹ General Court (EU) 31 January 2013, T-66/11, ECLI:EU:T:2013:48, point 57 (Babilu) and the case-law mentioned there.

¹² General Court (EU) 17 March 2004, T-183/02 and T-184/02, EU:T:2004:79, point 81 (Mundicor).

¹³ Id., point 83.

- 34. The earlier invoked trademark consists of two words, one being QUANTUM and one being HOSTING. The contested trademark is composed of the words Quantum and Host. The use of the uppercase letter H makes the relevant public easily split the trademark in these two words. The shared word 'quantum' means 'a very small quantity of electromagnetic energy', 'amount or quantity', 'the least possible amount' or 'sudden, great (in size, amount or quality)'.¹⁴
- 35. The word 'HOSTING' is derived from the verb 'to host' and means 'to organize and make arrangements for a party' or 'to introduce a television show or radio programme' or 'to store a website on a computer connected to the internet, usually in return for payment'. The word 'Host' is also derived from the verb 'to host' as mentioned above and used as a noun it signifies 'a person or a country, city or organisation holding or arranging a special event', 'a person introducing a television or radio show' or 'a main computer in a network that controls or supplies information to other computers that are connected to it'. ¹⁶
- 36. Taken as a whole, neither trademark has a well-established meaning in one of the languages of the Benelux territory. A conceptual comparison cannot be carried out. However, if the relevant consumer were able to assign any meaning to the trademarks, they would convey an identical concept because they are both made up out of the same words with the same intrinsic concept.

Conclusion

37. The marks are visually and aurally highly similar. A conceptual comparison is not possible.

A.2 Global assessment

- 38. The global assessment must be made by reference to the average consumer, who is well-informed and reasonably observant and circumspect about the goods or services in question. However, account must be taken of the fact that the average consumer rarely has the opportunity to make a direct comparison between the different trademarks but relies on the imperfect impression left upon him. It must also be borne in mind that the average consumer's level of attention may vary depending on the type of goods or services at issue.¹⁷ In the present case, the services covered are aimed at (IT) professionals as well as at the public at large for which the level of attention is deemed to be normal.
- 39. The greater the degree of distinctiveness of the earlier trademark, the greater the likelihood of confusion. Trademarks with a highly distinctive character, either by their nature or because of their reputation on the market, enjoy greater protection than trademarks with a weak distinctive character.¹⁸
- 40. The word elements HOSTING and Host in both trademarks being descriptive elements for the relevant services, the dominant element in both trademarks therefore is QUANTUM. This element is identical in both trademarks. The invoked earlier trademark considered in its entirety has a normal distinctiveness for the services concerned, as it does not describe characteristics of these services.
- 41. The global assessment of the likelihood of confusion presupposes a certain coherence between the factors to be considered and between the similarity of the conflicting signs and the goods or services to

¹⁴ https://www.oxfordlearnersdictionaries.com/definition/english/quantum?q=quantum and https://www.collinsdictionary.com/dictionary/english/quantum.

¹⁵ https://www.oxfordlearnersdictionaries.com/definition/english/host_2?q=hosting.

¹⁶ https://www.oxfordlearnersdictionaries.com/definition/english/host_1.

¹⁷ CJEU 22 June 1999, C-342/97, ECLI:EU:C:1999:323, point 26 (Lloyd Schuhfabrik Meyer).

¹⁸ CJEU 29 September 1998, C-39/97, ECLI:EU:C:1998:442, point 18 (Canon).

which they relate. Thus, a low degree of similarity between the goods or services in question may be offset by a high degree of similarity between the signs, and vice versa.¹⁹

42. The trademarks are visually and aurally highly similar. A conceptual comparison is not relevant. The identity of the relevant services is *in confesso*. Based the above grounds, and given their interdependence, the Office finds that the relevant public might believe that the services originate from the same undertaking or from economically linked undertakings.

B. Other factors

- 43. The claimant suggests that the defendant filed his trademark application in bad faith (see paragraph 9). However, the Office concludes that this ground for invalidity was not invoked nor substantiated by the claimant in this procedure.
- 44. The defendant seems to suppose that the Office performs an ex-officio examination on relative grounds and that a claim for cancellation after lapse of the opposition period would not be possible (see paragraph 14). BOIP does, however, not examine ex-officio relative grounds and a cancellation action can always be initiated (see also paragraphs 1, 17 and 18).

C. Conclusion

45. Based on the abovementioned factors and considerations, the Office finds that there exists a likelihood of confusion.

IV. DECISION

- 46. The application for a declaration of invalidity is upheld.
- 47. Benelux registration 1429889 is cancelled.
- 48. The defendant shall pay the claimant 1,420 euros in accordance with Article 2.30ter (5) BCIP in conjunction with rule 1.44 (2) IR, as the cancellation application is upheld in its entirety. This decision constitutes an enforceable order pursuant to Article 2.30ter (5) BCIP.

The Hague, 01 November 2022



 $^{^{19}}$ CJEU 4 March 2020, C-328/18 P, ECLI:EU:C:2020:156, point 59 (Equivalenza) and the case-law mentioned there.

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