

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2107195 IN THE NAME OF
N.V. SUMATRA TOBACCO TRADING COMPANY**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 47219 IN THE NAME OF
IMPERIAL TOBACCO LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF application No 2107195 in the name of
N.V. Sumatra Tobacco Company Limited**

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and

**IN THE MATTER OF opposition thereto under No 47219
in the name of Imperial Tobacco Limited**

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Background

On 8 August 1996, N.V. Sumatra Tobacco Trading Company of Jalan Pattimura No. 3, Pematang Siantar, Sumut, Indonesia, applied to register a trade mark in Class 34 in respect of the following goods:

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Cigarettes, kretek cigarettes; raw tobacco; manufactured tobacco; cigars, smokers' articles; cigarette paper; matches; all included in Class 34.

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The mark sought to be registered is as follows:

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The thick band to the left is coloured gold, the dark bands are the colour burgundy and are interspaced with beige and gold lines. The bird device is represented in black on a gold circle.

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On 17 July 1997, Imperial Tobacco Limited filed notice of opposition to this application. The grounds of opposition are in summary:-

1. **Under Section 5(2)** The opponents are the proprietors of earlier trade marks , and the mark applied is similar and is to be registered for goods identical and similar to those earlier trade marks.

5 2. **Under Section 5(4)** Because the opponents and their predecessors in business have used the earlier marks in relation to a range of tobacco products and smokers' articles and the marks have become well known to the trade and the public as denoting the opponents' goods.

10 3. **Under Section 3(3)** Because having regard to the opponents;' reputation in their earlier trade marks, use of the mark applied for in relation to the goods for which it is sought to be registered would be likely to deceive or cause confusion.

15 Details of the earlier marks referred to in the grounds above are set as an annex to this decision.

The opponents ask that the application be refused and that costs be awarded in their favour.

20 The applicants filed a counterstatement in which they deny the grounds of opposition. They ask that the application be allowed to proceed to registration and that costs be awarded in their favour.

25 Both sides filed evidence in these proceedings. The matter came to be heard on 17 January 2000, when the applicants were represented by Mr Richard Arnold of Counsel, instructed by Marks & Clerk, their trade mark attorneys, the opponents were represented by Mr James Mellor of Counsel, instructed by Stevens, Hewlett & Perkins, their trade mark attorneys.

Opponents' evidence

30 This consists of a Statutory Declaration dated 20 February 1998, and executed by Richard Charles Hannaford, Company Secretary of Imperial Tobacco Limited. Mr Hannaford confirms that he has been associated with his company for over 24 years and has held his current position for 9 years.

35 Mr Hannaford begins by giving a brief account of his company's history. He refers to the three registrations cited as earlier trade marks in the Statement of Case, and to exhibit RCH1 which consists of details of these trade marks. Mr Hannaford says that his company first used these trade marks in 1982 and have continued to use them on packaging for a brand of cigarettes launched under the name SUPERKINGS. He refers to exhibits RCH2 to RCH6, the first of which
40 consists of a sample of the original packaging bearing the GRADUATED LINE device of the registrations with the lines shown in the colours gold and black, the word SUPERKINGS and text giving details of the contents and a health warning. Mr Hannaford says that these packs were originally sold in London and the South East and went on sale throughout the country in July 1983. The remaining exhibits show the packaging in use in later years, which apart from some
45 minor presentational differences is essentially the same line device and the word SUPERKINGS used in the original packaging, any differences being in the colours and the descriptive text used on the packaging. Exhibits RCH5 and RHC6 consist of samples of a revised packaging which Mr

Hannaford says has been in use since 1996, and details of 5 trade mark registrations for the new packaging design obtained by his company.

5 Mr Hannaford continues saying that his company has sold cigarettes bearing the LINE device throughout the United Kingdom and has exported the same to many countries which he lists in exhibit RCH7. He gives details of the volumes of sales of cigarettes bearing the LINES device and SUPERKINGS brand sold in the United Kingdom, from 1982 to 1996, and the retail value of sales for the period 1984 to 1996, both of which are substantial by any standards.

10 Mr Hannaford says that his company's brands bearing the LINES device have been advertised throughout the United Kingdom, and he gives examples of where such material has appeared, He lists the amounts spent on advertising, year by year, from October 1985 to the year 1995/96, the amounts being significant. He refers to exhibits RCH8 and RCH9, which consists of copies of advertisements and promotional posters for cigarettes sold in packaging bearing the LINES
15 device and the word SUPERKINGS. The earliest dated advertisement is from the 15th May 1984 edition of the Daily Mirror, none of the posters bear any date. In addition to the packets the posters show individual cigarettes which are marked with an heraldic device and the word SUPERKINGS.

20 Mr Hannaford says that both marks to consist of a similar series of lines and bands, and that the EAGLE device on the applicants' mark would not serve to distinguish the two marks because of the manner in which cigarettes are displayed on a shelf. He refers to the fact that the mark applied for is not limited to colour and that the risk of confusion would be heightened if the mark were
25 to be used in colours similar to those used by his company in their LINES device.

Applicants' evidence

This consists of a Statutory Declaration dated 30 November 1998, and comes from Mr Timin
30 Bingei, a Director of N.V. Sumatra Tobacco Trading Company, a position he has held since 1973.

Mr Bingei says his company has been in the tobacco business since 1952 and is one of the leading
35 cigarette manufactures in Indonesia. He says that he considers the mark applied for is capable of functioning as a badge of origin and refers to its acceptance by the United Kingdom Trade Marks registry. He refers to exhibit TB1 which consists of undated items of promotional material showing use of the mark applied for with the word UNITED prominently displayed.

Mr Bingei says that elements such as geometric shapes, chevrons, coats of arms and stripes or
40 lines are commonly used in the trade as part of the get-up of cigarette packets, and refers to exhibit TB2 which consists of a selection of cigarette packets which he says were recently purchased at retail outlets in the United Kingdom. Mr Bingei notes that some packets bear stripes or lines. He next refers to exhibit TB3 which consists of details of trade marks registered in the United Kingdom in Class 34, and he again notes that some incorporate stripes or lines. He concludes from this that no one proprietor can claim monopoly rights in cigarette packaging bearing stripes or lines.

45 Mr Bingei goes on to compare the respective trade marks, noting that the lines on the mark applied for are not identical to those of the opponents' marks, and in his view can be further

distinguished by the circle and eagle device which form part of the mark applied for. He refers to the grounds of objection, acknowledging that the opponents' brands SUPERKINGS and PLAYERS SUPERKINGS are well known brands and are sold in packets bearing lines and stripes, and refers to exhibit TB4 which consists of a sample of the opponents' product. He says that he is not aware of any use of the striped marks without these words and notes that there is no evidence that the opponents have ever used the LINES device on its own or to show that this device would be recognised as distinctive of them independently of the words.

Mr Bingei accepts that the sales of JOHN PLAYER SUPERKINGS have been impressive and the advertising and promotion extensive, but disputes the claim that use of the mark applied for is likely to cause confusion, be deceptive or otherwise damage the opponents' goodwill, reiterating his argument that the circle and eagle device forming part of his company's mark is sufficient to distinguish.

Mr Bingei goes on to say that because of the minimum age at which it is legal to buy cigarettes, potential purchasers are sufficiently sophisticated to be able differentiate between brands, and do so by the overall brand in conjunction with the look of the packaging. He says that being a luxury item purchasers exercise care in selection and tend to be loyal to a particular brand. He refers to the controlled manner in which cigarettes are sold, being either over the counter or via a cigarette vending machine, which he says makes the likelihood of confusion through the get-up less likely. Mr Bingei concludes by denying that there is any likelihood of confusion.

Opponents' evidence in reply

This consists of a Statutory Declaration dated 11 February 1999 and comes from Richard Charles Hannaford.

Mr Hannaford refers to paragraph 4 of the Statutory Declaration of Mr Timin Bingei filed as in support of the application, and in particular to exhibit TB1 which he says consists of items which indicate that they are used in the United States of America, and that the mark applied for is used in conjunction with the word UNITED. He continues saying that it is his understanding that another company, JT International Europe Limited have registered trade marks incorporating the word UNITED in respect of tobacco and tobacco products for smoking and cigarettes, and gives details of these registration at exhibit RCH1A. Mr Hannaford gives his conclusion that the existence of these registrations would preclude the applicants from using the mark in the form shown in exhibit TB1.

Mr Hannaford also refers to the fact that exhibit TB1 shows the mark is used in conjunction with "100s" which he says is a reference to the cigarettes being 100mm in length. He says that this is the same length as his own company's cigarettes, and consequently, as the packs will be of the same size this enhances the likelihood of confusion.

Applicants evidence Rule 13(8)

This consists of a Statutory Declaration dated 30 March 1999, and comes from Mr Timin Bingei.

Mr Bingei refers to Mr Hannaford's Statutory Declaration which was filed in reply to Mr Bingei's earlier Declaration in support of the application, and in particular to the comments made by Mr Hannaford about exhibit TB1 to that Declaration. Mr Bingei says that exhibit TB1 only illustrated one of the ways in which his company's logo style has been used in the United States, and was not an indication of how they proposed to use the logo.

Mr Bingei comments of paragraph 4 of Mr Hannaford's Declaration in which he refers to the trade mark registrations for the word UNITED owned by JT International Europe Limited, and which Mr Bingei says can be distinguished by the EAGLE device and the striped get-up of his own trade mark. He reiterates that exhibit TB1 shows how the trade marks had, and might be used, albeit with an appropriate and possibly different word.

Mr Bingei next refers to paragraph 5 of Mr Hannaford's Declaration, in which he says that the reference to "100s" in exhibit TB1 is an indication that the applicants' cigarettes, and consequently, the cigarette packet would be the same size as his own company's, and that this enhanced the likelihood of confusion. Mr Bingei denies this.

That concludes my review of the evidence insofar as it is relevant to these proceedings.

Decision

At the hearing Mr Mellor withdrew the ground under Section 3(3), and confirmed that the remaining grounds were to be found under Section 5(2)(b) and Section 5(4)(a). I will turn first to Section 5(2)(b) which reads as follows:

5. (2) A trade mark shall not be registered if because-

(a) 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.

An earlier right is defined in Section 6 the relevant parts of which state:

6. (1) In this Act an "earlier trade mark" means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks

It is self evident that the goods of the opponents' earlier trade marks and those for which the applicants seek to register their mark are the same, so the matter falls to be decided by a comparison of the trade marks. I propose to consider the matter on the basis of the approach adopted by the European Court of Justice in SABEL v. PUMA 1998 RPC 199 at 224 and in

Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV (1999 ETMR 690 at 698). It is clear from these cases that:

- 5 S the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- S the visual, aural and conceptual similarities of the marks must be based upon the overall impressions created by the marks bearing in mind their distinctive and dominant components;
- 10 S a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;
- S the matter must be judged through the eyes of the average consumer, who normally perceives a mark as a whole and does not proceed to analyse its various details;
- 15 (e) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it.
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In respect of the first point, the ECJ's decision in Lloyd Schufabrik (at page 198) is of assistance. It is re-produced below.

25 "26. For the purposes of that global appreciation, the average consumer of the category of products concerned is deemed to be reasonably well-informed and reasonably observant and circumspect (see, to that effect, Case C-210/96 *Gut Springenheide and Tusky* [1968] E.C.R.I-4657, paragraph 31). However, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept

30 in his mind. It should also be borne in mind that the average consumer's level of attention is likely to vary accordingly to the category of goods or services in question."

35 While an assessment of the likelihood of confusion requires a composite approach it is inevitable that in reaching a decision reference will be made to the similarity of individual elements of the respective marks. These are purely visual marks, which, when placed side by side can be seen to have similarities and differences. Both have lines or bands running vertically, a broad band on the left and a series of narrower lines on the right hand side. If there is any similarity it must rest in these bands and lines as they are the only elements common to both trade marks and in this respect they can be said to have some visual similarity. That said, the lines or bands on the

40 opponents' trade mark are much narrower than those on the applicants' trade mark.

45 The opponents' registered trade marks are geometric designs and I do not see how the public will perceive them as anything other than this. The applicants' trade mark also has a geometric design although it incorporates a bird within a circular background but not surprisingly both sides held different views on the distinctiveness of this element. I accept that proportionally it is a small, although not an insignificant part of the overall trade mark but it is a fairly ordinary and recognisable representation of a bird and in the absence of any other matter is the element to

which the purchaser will look when referring to the mark. In my view the bands and lines are likely to be seen as little more than a background which serves to enhance the significance of this element.

5 The opponents' three earlier trade marks are each limited to a two colour combination; black/gold, blue/gold, and green/gold. The applicants have applied for their trade mark in four colours although have not limited the use to these. In considering what the applicants may notionally be able to do given normal and fair use of their trade mark I have to assume that they may use it in the same colour combination used by the opponents. Mr Arnold submitted that to
10 take this to mean that the applicants may use the trade mark in only two colours went too far as such use would change the essential particulars of the mark. I cannot accept this. For a feature to be an essential element it must be able to be defined with sufficient clarity to identify the scope of protection, which, as the applicants' trade mark is not limited to any particular colours or combination of colours is not the case. A similar argument applies to the suggestion that normal and fair use of the applicants' trade mark would include use with a word. Although the applicants
15 have stated that they intended to use the trade mark with a word they have not included this on the representation of the mark applied for, nor said in the evidence what the word is. It is clearly impracticable to have to consider the mark to be used with some unknown element which may affect its overall impression and potential for confusion with other rights.

20 The applicants have said that lines and bands are commonly used by traders in cigarettes as part of the get-up of the packaging and the evidence does go some way towards showing this to be the case. Mr Mellor mentioned that the opponents use the colours green or blue on their packets to indicate that the cigarettes contained within are menthol or mild respectively and from the
25 evidence it would appear such use of these colours is common practice in the trade. It seems to me that the opponents' trade marks are composed of elements which are individually and collectively used by other traders, albeit in differing forms and that any distinctiveness must rest in the combination. It would also appear that the trade is able to tolerate this situation and that the purchasing public will be well used to differentiating between cigarette packets that use similar
30 elements as part of their get-up.

Although the opponents have the get-up of their cigarette packets registered without any other matter, there is no evidence in these proceedings to show that they have used the trade mark in this form, and consequently, it is not possible to say that the design has become any more
35 distinctive or that they have acquired any reputation because of the use they have made of it. The conclusion I come to is that the opponents' trade marks do not warrant a wide degree of protection and that there would have to be a very strong resemblance and no material differences between it and another mark for there to be a likelihood of confusion. In the case in hand, there are differences in the way that the lines and bands are represented and there is a recognisable
40 device element and I come to the conclusion that the trade mark is not so similar to the opponents' earlier trade marks so as to create a likelihood of confusion, even if used in the same or similar colours. Accordingly the ground founded under Section 5(2)(b) fails.

This leaves the question of the ground founded under Section 5(4)(a), which reads as follows:

45 **5.(4)** A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

5 A person thus entitled to prevent use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.

10 No reference is made to any rule of law other than the law of passing off. Mr Hobbs QC set out a summary of the elements of an action for passing off in WILD CHILD Trade Mark 1998 RPC 455. The necessary elements are said to be as follows:

1. that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- 15 2. that there is a misrepresentation by the defendant (whether or not intentional leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- 20 3. that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

25 I have mentioned earlier that the opponents’ evidence in these proceedings shows use of the line and bands trade marks in conjunction with other more obvious trade mark matter, namely, JOHN PLAYER and SUPERKINGS, and consequently, I was not able to conclude that they have any reputation in the get-up alone. I have already found that their earlier trade marks consisting of the get-up alone are not so similar as to create a likelihood of confusion and cannot see that the addition of other matter changes this, if anything it serves only to move the respective marks even further apart. Consequently, I find that the opponents have not proved their case and the opposition founded under Section 5(4)(a) fails accordingly.

30 The opposition having failed on all grounds I order the opponents to pay the applicants the sum of £835 as a contribution towards their costs.

35 **Dated this 28 day of February 2000**

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45 **Mike Foley
for the Registrar
The Comptroller General**