

O-204-13

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2604631
BY NICOVENTURES LIMITED
TO REGISTER:**

KUJU

**AS A TRADE MARK IN
CLASSES 5 & 34**

AND:

**OPPOSITION THERETO UNDER NO. 103244
BY WYROHA B.V.**

BACKGROUND

1. On 15 December 2011, Nicoventures Limited (“the applicant”) applied to register the word **KUJU** as a trade mark. The application was accepted and published for opposition purposes on 20 January 2012 for the following goods:

Class 5 - Pharmaceutical preparations, namely preparations for human use including, but not limited to, transdermal patches, lozenges and microtablets.

Class 34 - Cigarettes; tobacco; tobacco products; lighters; matches; smokers' articles.

2. On 19 April 2012, Wyroha B.V. (“the opponent”) filed a notice of opposition. The opposition is based upon grounds under sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and is directed against all the goods in the application. Under section 5(2)(b), the opponent relies upon all of the goods and services contained in the following trade mark registrations which it says has been used upon all of these goods and services:

CTM no. 2974483 for the trade mark:



applied for on **24 January 2003** and registered on **15 July 2004** for the following goods and services:

Class 34 - Smokers' articles; waterpipes.

Class 35 - Commercial mediation by the selling of smokers' articles and waterpipes.

CTM no. 2974517 for the trade mark:



applied for on **24 January 2003** and registered on **15 July 2004** for the following goods and services:

Class 34 – Smokers' articles; waterpipes; cigarette-paper

Class 35 - Commercial mediation by the selling of smokers' articles, waterpipes and cigarette-paper.

Colours claimed/indication: Blue and black.

3. In its notice of opposition the opponent says:

“Nicotine patches, lozenges and microtablets in class 5 are similar to nicotine products in class 34 (“smokers articles” etc.), as they are complimentary goods and have the same users and trade channels. The applicant’s goods in class 34 are identical to the opponent’s class 34 goods, as the applicant’s goods all fall within the description “smokers’ articles”. The applicant’s class 5 goods, to the extent that they include nicotine and nicotine related products, and class 34 goods are similar to the opponent’s class 35 services, in that they (i.e. the applicant’s goods) are all “smokers’ articles” or similar products.

The word KULU, which is the dominant and distinctive element of the opponent’s mark is closely similar to the applicant’s mark KUJU. Indeed, the letter L closely resembles the letter J being almost a mirror-image. Moreover, the dominant and distinctive elements of the respective marks KULU and KUJU share three of their four letters, in the same order, and have the same number of syllables. The difference between the respective dominant elements occurs towards the end of the marks, where it is less likely to be perceived by consumers.

...it is submitted that the word KULU is highly distinctive per se in respect of the goods and services in question.”

4. In relation to its objection based upon section 5(4)(a) of the Act, the opponent relies upon the word KULU alone. It states that it has used this trade mark in the UK since at least 2006 in respect of smokers’ articles, including cigarette papers, and as a result of this use it has, it says, accrued an extensive goodwill and reputation for smokers’ articles and related goods and services.

5. On 10 July 2012, the applicant filed a counterstatement in which it asks the opponent to provide evidence of the use it has made of its trade marks. In its counterstatement it argues that the competing trade marks are visually and phonetically distinct, and that no conceptual comparison is “available”. In relation to the distinctive and dominant elements of CTM no. 2974483 it says:

“7. In response to the opponent’s contention that the word KULU is the dominant and distinctive element in its mark, the applicant submits that this is not the case as the device element is at least as distinctive and visually dominant as the word KULU. Furthermore, while it is accepted that the word TRADING may be of lesser distinctiveness due to its meaning in English, the word is visually and

phonetically a dominant part of the mark as a whole and cannot be entirely disregarded. In view of this, the word KULU is merely one distinctive element within the opponent's mark and the overall impression of the respective marks is entirely dissimilar."

6. In relation to the distinctive and dominant elements of CTM no. 2974517 it says:

"11...it is accepted that the highly stylised word [i.e. the first word in the trade mark] is a visually dominant element within the opponent's mark.

12. However, this is not the word KULU per se, but kulu in a highly stylised coloured font, which significantly distinguishes it visually from the different word KUJU per se. In addition, the words KING SIZE PAPER are not diminutive, consisting of at least one third of the overall mark. Furthermore, while it is accepted that the words KING SIZE PAPER may be of lesser distinctiveness due to its descriptive meaning in English in relation to cigarette papers, the term is not similarly descriptive in relation to smoker articles or waterpipes. Overall, the applicant submits that neither the marked stylisation nor the words KING SIZE PAPER can be disregarded as distinctive elements within the opponent's mark, particularly in relation to smokers' articles and waterpipes, and the overall impression of the respective mark is entirely dissimilar."

7. Insofar as the competing goods are concerned, the applicant says in relation to its goods in class 5:

"19. Assuming the opposition is genuinely directed against all of the goods applied for in class 5, there is clearly no basis to argue that "smokers articles", or indeed any other of the goods and services for which the opponent has registered protection, are similar to pharmaceutical preparations for human use broadly or indeed more precisely specified "transdermal patches, lozenges and microtablets.

20. Even insofar as one type of transdermal patches, lozenges and microtablets may contain nicotine, the applicant submits that such goods are in no way similar to the opponent's "smokers' articles".

21...the opponent appears to suggest that nicotine products are covered by the term "smokers articles" in class 34. The applicant submits that this is categorically not the case. Ashtrays, cigarette/cigar cases and holders, cigar cutters and humidors are examples of the type of products covered by the term "smokers' articles." It is self evident that the physical nature of these types of products is entirely dissimilar to transdermal patches, lozenges and microtablets.

22. Moreover, smokers' articles are customarily and primarily sold from tobacconists, but may now also be purchased in souvenir shops or larger department stores, such as Harrods, John Lewis or Wilkinsons. In contrast,

“transdermal patches, lozenges and microtablets” which contain nicotine (or otherwise) are sold from chemists or the pharmaceutical aisle of large supermarkets or occasionally small convenience stores. The only instance in which both products are likely to be sold in the same store is within larger supermarket chains selling a vast range of goods, but even so the respective products would be located in entirely distinct sectors. Thus, the respective channels of trade are clearly dissimilar.

23. Furthermore, “transdermal patches, lozenges and microtablets” which contain nicotine are primarily used by those who do not currently smoke and are intended to prevent smoking. In contrast, smokers’ articles are used by smokers and assist smoking. As such and contrary to the opponent’s assertion, the uses and users of the respective goods are in fact completely disparate and in no way complementary.”

8. As to the competing goods in class 34, the applicant accepts that its “smokers’ articles” in class 34 are identical to the same goods in the opponent’s registrations. It also accepts “that there is some similarity between “lighters” and “smokers’ articles”, as they are complementary goods with the same users and trade channels”. Although the applicant does not specifically comment upon the “matches” in its specification, given the way in which it has worded its counterstatement and the obvious similarity in, inter alia, the purpose of matches and lighters, I have assumed this is an oversight and the same concession is likely to apply. As to the remaining goods in class 34 of its application, it says:

“24. The applicant denies the opponent’s assertion that “cigarettes; tobacco; tobacco products” are identical to or even similar to “smokers’ articles”, or indeed any of the goods for which the opponent has registered protection. While the applicant accepts there may be a certain degree of complementarity between some smokers articles and cigarettes, tobacco and tobacco products, this does not automatically lead to the conclusion that the goods are similar any more than wine is similar to glassware because wine is generally drunk from a glass (*Waterford Wedgwood plc vs Assembled Investments (Proprietary) Case C-398/07P*). The applicant submits that any complementarity between the goods in question is not sufficient for consumers to perceive the goods as similar within the meaning of section 5(2) of the Act.

25. Cigarettes; tobacco; tobacco products are fast moving consumable goods which are purchased with the intention of being smoked and discarded. In contrast, smokers’ articles are for the most part only purchased occasionally and are specifically intended to withstand high temperatures. The physical nature and uses of the products are, therefore, dissimilar.”

9. Finally, in relation to the ground based upon section 5(4)(a) of the Act, the applicant argues that even if the opponent is able to establish that it has goodwill in the UK in the word KULU in relation to smokers’ articles, the overall differences in the trade marks

and, with the exception of smokers' articles, the differences in the respective goods would not constitute a misrepresentation nor result in damage to the opponent.

10. Only the opponent filed evidence. While neither party asked to be heard, both parties filed submissions in lieu of attendance at a hearing; I will refer to these submissions as necessary below.

EVIDENCE

11. This consists of two witness statements dated 14 September and 16 October 2012 from David Tate, a trade mark attorney at Maguire Boss, the opponent's professional representatives. Mr Tate explains that the facts in his statements come from the opponent's records or from his own investigations, adding that he is authorised to make his statement on the opponent's behalf. Mr Tate states that the opponent, trading as Kulu Trading, was incorporated in 1975 for the wholesale of tobacco products and smokers' articles.

12. Mr Tate describes exhibit DT1 as: "a selection of invoices showing sales of KULU-branded smokers' articles (including cigarette papers and filter tips) in the UK". The exhibit consists of seven invoices all of which bear the trade mark the subject of CTM no. 2974483 at the top of the page and, inter alia, the words KULU TRADING at the bottom left of the page. The invoices, the name and address details in which have been partially redacted, have been issued to addresses in: Croydon, Reading, Brighton, Warrington, Bristol and Bournemouth and are dated 19 October 2010, 7 December 2009, 26 February 2009, 5 February 2010, 21 May 2010, 20 May 2010 and 22 February 2011. The invoices, all of which are in Euros, have the following references highlighted:

"CIG-035 Kulu Extra Large K.S. 50pks/32L, Qty 1, Price 15.50, Amount 15.50";
"CIG-095 Kulu K.S. Slim 50pks/32L, Qty 2, Price 15.50, Amount 31.00" (invoice no. 10711458 – total value of invoice €1,633.01)

"CIG-035 Kulu Extra Large K.S. 50pks/32, Qty 2, Price 15.50, amount 31.00"
(invoice no. 9711956 – total value of invoice €1,398.70);

"CIG-035 Kulu Extra Large K.S. 50 pks/32, Qty 3, Price 15.50, Amount 46.50";
"CIG-095 Kulu slim K.S. 50pks/32l, Qty 3, Price 15.50, Amount 46.50" (invoice no. 9710360 – total value of invoice €3,069.27);

"CIG-035 Kulu Extra Large K.S. 50pks/32, Qty 2, Price 15.50, Amount 31.00"
(invoice no. 10710171 – total value of invoice €3,330.26);

"CIG-095 Kulu K.S. Slim 50pks/32L, Qty 50, Price 12.35, Amount 617.50"
(invoice no. 10710687 – total value of invoice €4,167.26);

"CIG-095 Kulu K.S. Slim 50pks/32L, Qty 3, Price 13.64, Amount 40.92" (invoice no. 10710672 – total value of invoice €565.54);

“CIG-035 Kulu Extra Large K.S. 50pks/32, Qty 50, Price 12.35, Amount 617.50”
(invoice no. 11710274 – total value of invoice €3,910.17).

These invoices also contain references to a wide range of other smoking related goods. While some of these references appear to relate to goods from third parties, whether other goods in the invoices (which are described generically) bore a trade mark, and if so which one, is not explained.

13. Exhibit DT2 is described by Mr Tate as: “an extract from the opponent’s product catalogue showing how the trade mark KULU is used on its cigarette papers.” The page, which as far as I can tell is undated, is entitled “Thinnest and best burning cigarette paper that exists”; the page advises that all prices are in Euros. The trade mark the subject of CTM no. 2974517 can be seen on packaging as can the word “Kulu” presented in a range of colours in the format shown in the CTM mentioned (but without the words “KING SIZE PAPER”); it also appears in title case i.e. “Kulu cigarette paper...”, “Kulu Rasta or Kulu Lips” and “Kulu Slim”.

14. Exhibit DT(2)1 consists of an extract from the Register of the Dutch Chamber of Commerce accompanied by a translation into English (the origin of the latter is unexplained); the exhibit appears to confirm the position mentioned by Mr Tate in para. 11 above. Mr Tate explains that the opponent currently sells more than 4,000 different types of tobacco products and smokers’ articles, including third party brands and its own KULU branded products. He adds that the opponent has sold its KULU branded king size cigarette papers continuously in the European Union since its incorporation.

15. Exhibit DT(2)2 consists of two pages. The first page of this exhibit (page 9) contains the words “Kulu Trading” at the top of the page and is a pricelist dated 13 April 1987; the currency is not identified (but I infer it to be Euros). The pricelist contains references to “Stone Chillum”, “Wood Chillums” and on page 10 “Cigarettepapers”. The first entry on page 10 is highlighted and reads “Kulu Blue K.S., 50 packets a box, 23, 50”; Mr Tate explains that KS is a reference to king size cigarette papers.

16. Exhibit DT(2)3 is described by Mr Tate as “one of the opponent’s cigarette paper catalogue sheets from 1983...” Although somewhat indistinct, CTM no. 2974517 can be seen on yellow packaging at the top (centre) of the page.

17. Exhibit DT(2)4 is a further cigarette paper catalogue sheet this time dating from 1987; once again CTM no. 2974517 can be seen on blue packaging and on yellow packaging.

18. Mr Tate states that in the last ten years (which given the date of his statement I take to mean 2002-2012) the total sales “for a selection of the opponent’s KULU cigarette papers” has been as follows:

| Code | Description | No. of boxes sold | Approx value (€) |
|-------------|-----------------------------------|--------------------------|-------------------------|
| CIG-001 | Kulu Indian K.S. 50 pack box | 20,000 | 300,000 |
| CIG-008 | Kulu Rasta K.S. 50 pack box | 20,000 | 300,000 |
| CIG-035 | Kulu Extra Large K.S. 50 pack box | 25,000 | 375,000 |
| CIG-095 | Kulu Slim K.S. 50 pack box | 15,000 | 225,000 |

19. Mr Tate states that in the years 1975-2000 sales were much higher, “being approximately as set out above, but per year”; of the sales figures provided above, Mr Tate states that approximately 10% relates to sales in the UK.

20. Exhibit DT(2)5 consists of two pages of extracts obtained from a Google search for the words “kulu” + “cigarette papers” which relates to the period 20 January 2007 to 19 January 2012. Of the 21 hits retrieved, 16 are from the website www.shivaheadshop.co.uk. Of these 16 entries, 11 refer to Kulu in one form or another i.e. “Kulu rolling papers”, “Kulu”, “Kulu smoking papers” and “Kulu Lips”. Of the remaining sites, four mention Kulu in one form or another i.e. “Kulu Slim King Size” (www.roll-ups.co.uk), “Kulu Indian KS”, “Kulu Lips” (www.rhinogifts.co.uk), “Kulu Papers” (www.pazyryk.co.uk) and “Kulu Rasta Kingsize 11” (www.xaar-cigarette-papers.com).

21. Exhibit DT(2)6 consists of website extracts obtained using the Waybackmachine internet archive. The first extract, taken from www.shivaheadshop.co.uk is dated 3 December 2008. Under the heading Kulu there appears the following text: “Dutch Kulu smoking papers are high quality with distinctive packaging and watermarked leaves”. Further down the page there is a reference to “Kulu Lips - £0.59 In Stock” and “Kulu Lips are kingsize, rice papers with”. Although small and indistinct, the trade mark the subject of CTM no. 2974517 appears, I think, on the packaging. The second extract, taken from www.rhinogifts.co.uk is dated 21 June 2008 and refers to, inter alia, “Kulu Indian King Size” and “Kulu Indian K.S. papers”, “Box of 50 packets King Size Papers £19.99”; this item is described as unavailable, “Kulu Lips KS”, “King Size Papers £17.99” and “5 Kingsize Packets £2.75 Buy Now”, “Kulu Rasta KS” “Box of 50 packets”, “King Size Papers £19.99” and “Box of 50 Kingsize £19.99 Buy Now”, “Kulu Slim” “Box of 50 packets” “King Size Papers £19.99” and “5 Kingsize Packets £2.99 Buy Now” and “Kulu Smoking Gift Pack” which is described as “1 Kulu tin, 1 Kulu rasta kingsize papers 1 Kulu rasta filter tips booklet, 1 smoking pike 1 keyring 1 lighter...” and “Party Packs £7.99”; this item is described as unavailable. The trade mark the subject of CTM no. 2974517 can be seen on the “Kulu Lips KS” packaging as can the word “Kulu” in the form shown in that registration (but without the words KING SIZE PAPER”) on the “Kulu Indian King Size” and “Kulu Slim” packaging. The third extract, taken from www.roll-ups.co.uk is dated 22 June 2008. It refers to “Kulu Rasta cigarette rolling papers”, “Kulu Lips King Size Rice Cigarette papers £0.60”, “Kulu Indian £0.59” and “Kulu Slim King Size slim cigarette rolling papers £0.60”. The fourth extract, also taken from www.roll-

ups.co.uk is dated 23 June 2008. The first page refers to, inter alia, “Kulu Lips King Size Rice Cigarette papers” at a price of £0.60 inc vat; the trade mark the subject of CTM no. 2974517 can be seen on this page. The second page contains a reference to “Kulu Slim King Size Slim Papers 2designs”; the word “Kulu” in the form shown in that registration (but without the words KING SIZE PAPER”) can be seen on the page. The fifth and final extract, taken from www.pazyryk.co.uk is dated 6 November 2010. It includes the following text: “Scotland’s largest collection of tobacco accessories for the discerning tobacco smoker. A unique range of rolling papers.... We have all the leading brands like...Kulu...What’s more, we’ll ship them from the United Kingdom to you wherever you are in the world...”

22. That concludes my summary of the evidence filed to the extent that I consider it necessary.

DECISION

23. Section 5(2)(b) of the Act reads as follows:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, or

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

24. An earlier trade mark is defined in section 6 of the Act, 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 or international trade mark (EC) 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,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

25. In these proceedings the opponent is relying upon the trade marks shown in paragraph 2 above, which constitutes earlier trade marks under the above provisions. Given the interplay between the date on which the application was published i.e. 20

January 2012 and the date on which the opponent's registrations completed their registration procedure i.e. 15 July 2004, they are subject to proof of use, as per The Trade Marks (Proof of Use, etc) Regulations 2004. As I mentioned above, in its counterstatement the applicant asks the opponent to provide proof that it has used its earlier trade marks on all the goods and services upon which it relies in these proceedings. The relevant sections of the Proof of Use Regulations read as follows:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark in relation to which the conditions set out in section 5(1),(2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

Proof of use

26. In reaching a conclusion on this point, I must apply the same factors as I would if I were determining an application for revocation of a trade mark registration based on grounds of non-use; the relevant period for present purposes is the five year period ending with the date of publication of the application for registration i.e. 21 January 2007 to 20 January 2012. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch) Arnold J commented on the case law of the Court of Justice of the European Union (CJEU) in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

“(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(3) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(4) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”

27. In addition, I will keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

“29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification

becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use."

28. The comments of Mr Justice Jacob (as he then was) in *Animal Trade Mark* [2004] FSR 19 are also relevant and read:

"20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for threeholed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on

similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

29. Finally, the comments of the Court of First Instance (now the General Court) in *Reckitt Benckiser (Espana), SL v OHIM*, Case T- 126/03 are also relevant where it held that:

"45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or subcategories to which the goods or services for which the trade mark has actually been used belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories."

30. In its written submissions the applicant said:

"2. Firstly, it is submitted that, as a trade mark attorney employed in private practice, the evidence provided within and under the witness statements of Mr Tate are second-hand hearsay and he would not be in a position to fully verify the complete accuracy of the evidence submitted thereunder. Furthermore, it is submitted that it would have been reasonable and practical for the party (or parties) by whom the evidence was adduced to have provided a witness

statements(s). These points must be taken into account when estimating the weight (if any) to be given to such evidence in these proceedings.”

31. The TMR’s approach to hearsay evidence is outlined in Tribunal Practice Notice (“TPN”) 5 of 2009 (albeit in the context of correspondence solicited for proceedings). This TPN makes it clear that hearsay evidence is admissible under rule 64(1)(b) of the Trade Marks Rules 2008 read in conjunction with section 1 of the Civil Evidence Act 1995 and in particular the following:

“4. Considerations relevant to weighing of hearsay evidence.

(1) In estimating the weight (if any) to be given to hearsay evidence in civil proceedings the court shall have regard to any circumstances from which any inference can reasonably be drawn as to the reliability or otherwise of the evidence.

(2) Regard may be had, in particular, to the following—

(a) whether it would have been reasonable and practicable for the party by whom the evidence was adduced to have produced the maker of the original statement as a witness;

(b) whether the original statement was made contemporaneously with the occurrence or existence of the matters stated;

(c) whether the evidence involves multiple hearsay;

(d) whether any person involved had any motive to conceal or misrepresent matters;

(e) whether the original statement was an edited account, or was made in collaboration with another or for a particular purpose;

(f) whether the circumstances in which the evidence is adduced as hearsay are such as to suggest an attempt to prevent proper evaluation of its weight.”

32. There is nothing to suggest that Mr Tate’s evidence engages the concerns outlined at points (b) to (f) above. Insofar as point (a) is concerned, there is no explanation provided as to why a representative of the opponent did not provide the relevant information; clearly this would have been preferable. In his statements Mr Tate says that his information comes “from the records of Wyroha B.V or from my own investigations”; while the former may suggest he had direct access to those records, the position is, I accept, uncertain. However, considering the matter in the round, and keeping in mind that at least some of the evidence provided is, I think, likely to have come directly from the opponent (exhibit DT1 for example), and as other parts of the evidence has been

obtained from information which is publicly available, I am, in those circumstances, prepared to give Mr Tate's evidence a reasonable amount of weight.

33. I begin by reminding myself of the relevant period for proof of use i.e. 21 January 2007 to 20 January 2012. Although both of the opponent's earlier rights are registered as community trade marks, the opponent has only provided evidence of the use it has made of its earlier trade marks in the UK. In approaching the opponent's evidence, I bear in mind the comments of the CJEU in case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* i.e. in deciding whether a community trade mark has been put to genuine use it is necessary to remember that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

34. The opponent's trade marks are registered for various goods in class 34 and for: “Commercial mediation by the selling of smokers' articles and waterpipes” (no. 2974483) and “Commercial mediation by the selling of smokers' articles, waterpipes and cigarette-paper” (no. 2974517) in class 35. The meanings of the opponent's specifications in class 35 are not, in my view, immediately obvious. In approaching the matter, the opponent's claimed use must be considered within the context of the specifications. In construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade - *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281. Words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning - *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267. In *YouView TV Limited v Total Limited* [2012] EWHC 3158 (Ch) at paragraph 12 Floyd J stated:

“Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

35. The class of the goods in which they are placed may be relevant in determining the nature of the goods or services - *Altecnic Ltd's Trade Mark Application* [2002] RPC 34. In relation to the consideration of services, Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

36. The nature of the opponent's business is explained in both Mr Tate's statement and exhibit DT2(1) i.e. the “Wholesale of tobacco products and smokers' articles”. Notwithstanding that both specifications include the phrase “commercial mediation” and that “mediation” services fall within class 35, the way in which the opponent's business is characterised in both Mr Tate's statement and the exhibit mentioned above, together with the presence in both specifications of the wording “...by the selling of...”, leads me to conclude that the opponent's specifications in class 35 should be interpreted as meaning wholesale services relating to the sale of the named items.

37. In its submissions, the opponent argues that its evidence shows use of its earlier trade marks either in the form in which they are registered or in a form which does not alter their distinctive character (as per section 46(2) of the Act). In relation to what constitutes a fair specification, it argues that the specifications should remain as registered. It states:

“The evidence shows use in respect of the specific goods “water pipes” (i.e. bongs) and “cigarette papers”, and with regard to “smokers' articles”, it is submitted that this would not be an overly broad description of the goods provided or sold by the opponent under its earlier trade mark during the relevant period.”

38. Turning now to the opponent's evidence, as the applicant points out in its submissions, exhibits DT2(2) dated April 1987, DT2(3) dated 1983 and exhibit DT2(4) dated 1987, are all before the relevant period and do not assist the opponent. Exhibit DT1 consists of seven invoices all dated within the relevant period and all were issued to addresses in the UK; the trade mark the subject of CTM no. 2974483 appears on the top of all of these invoices as does the words KULU TRADING at the bottom left of the page. Although the page from the product catalogue provided as exhibit DT2 is undated, it contains references to code numbers CIG-035” and “CIG 095” as well as to “CIG- 008” (the latter being a reference to the “Kulu Rasta K.S. 50 pack box”). It also contains photographs of the packaging of the goods to which these code numbers relate. The invoices, which also contain references to a wide range of other smoking related products, contain highlighted references to Kulu products designated by codes “CIG-035” (cigarette papers sold under the trade mark the subject of CTM no. 2974517) and “CIG 095” (cigarette papers sold under the trade mark “Kulu K.S. Slim”). Exhibit DT2(5) consists of extracts obtained from the Internet; all relate to UK undertakings and all are dated within the relevant period; 15 of these extracts relate to cigarette paper

sold under the trade mark “Kulu” in the manner described in paragraph 20 above. Exhibit DT2(6) also consists of extracts obtained from the Internet. Once again, they all relate to UK undertakings, are dated within the relevant period, and contain references to “Kulu” in the manner described in paragraph 21 above. In his statement, Mr Tate provides sales figures between 2002 and 2012 “for a selection of the opponent’s KULU cigarette papers” i.e. goods sold under codes CIG-001/008/035 and 095 (CIG-001 is a reference to the “Kulu Indian KS 50 pack box”); no separate figures or estimates are provided in relation to the opponent’s services in class 35. He estimates that in the ten year period 2002 to 2012 the opponent sold approximately €1.2m of these goods of which: “approximately 10% of sales of the opponent’s KULU branded cigarette papers are made in the UK.” Thus turnover in the UK in this period in relation to cigarette papers sold under the “Kulu” trade marks mentioned above amounted to some €12,000 per year, with total sales figures during the relevant five year period in respect of cigarette papers likely to have been in the order of €60,000. Although no separate sales figures are provided for the services in class 35, the invoices at exhibit DT1 (which amount to some €18,000) and the evidence provided as exhibits DT2(5) and DT2(6) indicates that the opponent has been providing services to UK undertakings under CTM no. 2974483 during the relevant period.

39. In its submissions the applicant said:

“4. In summary, the applicant submits that the evidence provided by the opponent is not sufficient to shown genuine use in the EU in relation to either of the marks on which the opposition is based...Insofar as the evidence may be considered at a sufficient level for genuine use, it is submitted that it does not show use of the mark as registered. Additionally or in the alternative, the evidence only shows use in relation to cigarette papers and/or the class 35 services protected under CTM No. 2974483.”

40. The opponent’s evidence is far from perfect. However, taking a realistic view of the totality of the evidence provided, I think it is reasonable for me to conclude that during the relevant period the opponent has made genuine use of the trade mark the subject of CTM no. 2974483 and that use has been in relation to the wholesaling of a variety of smoking related goods such as cigarette papers, filter tips, waterpipes, ashtrays and lighters. There is, however, no evidence that this trade mark has been used in the form in which it is registered for the goods themselves. Bearing in mind the authorities mentioned above and the variety of goods itemised in exhibit DT1, a fair specification for CTM no. 2974483 would, in my view, be:

Wholesaling of smokers’ articles and waterpipes.

41. While it is arguable whether, on the basis of the decisions of the Appointed Persons in, inter alia, *NIRVANA* and *Orient Express* Trade Marks (BL O/262/06 and O/299/08), the use of Kulu in, for example, title case is sufficient to qualify as use of the trade mark as registered, given my decision in relation to the scope of the opponent’s other earlier trade mark (see below), even if such use did qualify it would only be in relation to

cigarette paper and would not place the opponent in a better position overall. I have also concluded that on the basis of the evidence provided there has been genuine use of the trade mark the subject of CTM no. 2974517 but, notwithstanding the opponent's reference in its submissions to "c-kits" meaning cigarette rolling kits (the contents of such kits having not been explained), such use has, in my view, only been in relation to cigarette papers; there is no evidence that this trade mark has been used in relation to the services for which it is registered. However, even if it had, on the basis explained above, it would only be in relation to the services mentioned earlier and on that basis the opponent would be in no better position overall. The phrase smokers' articles is a broad one; bearing in mind the comments in (in particular) *Reckitt Benckiser (España) SL v OHIM* regarding sub-categories, a fair specification for CTM no. 2974517 would, in my view, be:

Cigarette paper.

Conclusions on proof of use

42. When determining the ground under section 5(2)(b) of the Act, I shall proceed on the basis that the opponent has made genuine use of CTM no. 2974483 in relation to: wholesaling of smokers' articles and waterpipes (in class 35) and CTM no. 2974517 in relation to: cigarette paper (in class 34).

Section 5(2)(b) – case law

43. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* -BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the CJEU cases mentioned) on the basis indicated below:

The CJEU cases

Sabel BV v Puma AG [1998] RPC 199; Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc [1999] RPC 117; Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. [2000] F.S.R. 77; Marca Mode CV v Adidas AG & Adidas Benelux BV [2000] E.T.M.R. 723; Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-6/01; Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH C-120/04; Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P.

The principles

“(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed

and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

The average consumer and the nature of the purchasing process

44. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services then to determine

the manner in which these goods and services will be selected by the average consumer in the course of trade.

The applicant's goods in class 5

45. The applicant's goods are in classes 5 and 34. Its goods in class 5 are pharmaceutical preparations for human use including those in the form of transdermal patches, lozenges and microtablets. As this is a broad claim and as the opponent currently objects to all the goods in class 5, it is, strictly speaking, necessary for me to assess the notional average consumer for all of the applicant's goods in this class. However, given the wording of its notice of opposition and comments contained in its submissions, I intend to approach the matter on the basis that (in reality) the opponent's objection relates only to pharmaceutical preparations for human use which contain nicotine and which are used in the reduction or cessation of smoking. On that basis, the average consumer is most likely to be a member of the public over the age of 18 who smokes and who has a desire to either reduce or stop smoking, or an ex-smoker who wishes to remain that way. Such goods are made available on both prescription and over the counter. Insofar as the latter is concerned, the average consumer is, in my experience, most likely to select such goods from the shelf of a retail outlet such as a chemist or supermarket or from the pages of a website, indicating that visual considerations will play an important part in the selection process. That said, in conventional retail settings advice can also be sought prior to purchase, indicating that aural considerations will also come into play. Given that the purpose of the goods is to assist in the reduction/cessation of smoking, the need for the average consumer to establish the most suitable delivery method(s) for the goods, the not insignificant cost of such goods (both in isolation and cumulatively), and as the goods will be used either on or in the body, leads me to conclude that the average consumer will pay a relatively high level of attention to their selection.

The applicant's goods in class 34

46. Turning now to the goods in class 34 of the application, these are: cigarettes, tobacco, tobacco products, lighters, matches and smokers' articles. Turning first to cigarettes, tobacco and tobacco products, I am aware that it is illegal for such goods to be sold to anyone under the age of 18. Consequently, the average consumer for such goods will be either a member of the public over the age of 18 who smokes or a smoking related business buying the goods for onward sale to the public. As to how these goods are selected, my own experience tells me that insofar as the public is concerned the goods (which may be on public display in some retail outlets) are most likely to be purchased in retail outlets such as supermarkets, tobacconists and convenience stores. While a visual inspection may take place prior to purchase, these goods are generally behind a counter requiring a member of the public to ask the sales assistant for them by name. Although the cost of such goods is not high, as it is well known that when selecting goods of this type a member of the public is likely to have an established preference, I assume a reasonable level of attention will be paid to their selection. As to how a business user will select goods of this type, it is likely they will

inspect product catalogues, websites etc. As the goods are being bought on a commercial scale, I would also expect a business user to liaise with the supplier to negotiate terms of business such as length of contract, delivery times, discounts, payment conditions, customer support etc. In view of the above and the sums that are likely to be involved, I consider that a business user will pay a high level of attention to the selection of the goods at issue.

47. As far as matches and lighters are concerned, the average consumers of such goods will, for the most part, be those mentioned above. Matches and lighters are likely to be self selected by a member of the public from the same types of retail outlets mentioned above. As the cost of these goods is not, for the most part, likely to be particularly high, a member of the public's level of attention is likely to be relatively low. Insofar as a business user is concerned, similar considerations to that mentioned above are likely to apply. That leaves smokers' articles to consider. As I mentioned earlier, this is a broad term encompassing a wide range of goods. In its counterstatement the applicant points to ashtrays, cigarette/cigar cases and holders, cigar cutters and humidors as examples of goods which fall within this term; in my view, cigarette rolling papers would also come within this term. While I am aware that it is illegal to sell cigarette rolling papers to anyone under the age of 18, as I mentioned above this term include a range of other goods for which no age restriction applies. Considered overall, the average consumer for smokers' articles is most likely to be a member of the public over the age of 18 who smokes or a smoking related business. As to how these goods will be selected, while a member of the public will most likely purchase cigarette rolling papers from the same retail outlets and in the same manner as cigarettes, tobacco and tobacco products, the opponent's evidence demonstrates that these goods may also be bought on-line from dedicated websites. Thus the selection process for cigarette rolling papers is likely to consist of a mixture of visual and aural considerations. As to the wide range of goods which would be encompassed by the term smokers' articles which remain, these are, once again, most likely to be purchased by a member of the public from the same types of retail outlets mentioned above, as well, as the applicant suggests in its counterstatement, from, inter alia, department stores. As the majority of the goods are most likely to be self selected, visual considerations are, I think, likely to dominate the selection process. As to the degree of care a member of the general public will take when selecting the disparate goods which remain, this is, I think, likely to vary considerably depending on the cost and importance of the goods at issue. For example, a member of the public is likely to pay quite a low degree of attention to the purchase of an inexpensive ashtray and a much higher level of attention to the selection of a sophisticated humidor costing many hundreds or even thousands of pounds. Insofar as the business user is concerned, similar considerations to that mentioned above are likely to apply.

The opponent's goods and services in classes 34 and 35

48. I now turn to consider the opponent's goods and services following my proof of use assessment. Insofar as its goods in class 34 are concerned, I have already described the average consumer and the purchasing process for cigarette paper above. As to its

services in class 35 i.e. wholesaling of smokers' articles and waterpipes, the average consumer for such services is likely to be a smoking related business wishing to sell the goods on a retail basis to the public. As to how this average consumer will select the opponent's services, my comments above in relation to goods apply.

Comparison of goods and services

49. The leading authorities on how to determine similarity between goods and services are considered to be *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117 and *British Sugar Plc v James Robertson & Sons Ltd (Treat)* [1996] R.P.C. 281. In the first of these cases the CJEU accepted that all relevant factors should be taken into account including the nature of the goods/services, their intended purpose, their method of use and whether they are in competition with each other or are complementary. The criteria identified in the *Treat* case were:

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

50. In reaching a conclusion I will also keep in mind the decision of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05 i.e.

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-

5275, paragraphs 43 and 44; and Case T- 10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42).”

51. In relation to complementary goods and services the comments of the Court of First Instance (now the General Court) in *Boston Scientific Ltd v OHIM* case T-325/06 are relevant:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48).”

52. The goods and services to be compared are as follows:

| Opponent’s goods (following proof of use assessment) | Applicant’s goods |
|---|---|
| <p>Class 34 – Cigarette paper.</p> <p>Class 35 - Wholesaling of smokers’ articles and waterpipes.</p> | <p>Class 5 - Pharmaceutical preparations, namely preparations for human use including, but not limited to, transdermal patches, lozenges and microtablets.</p> <p>Class 34 - Cigarettes; tobacco; tobacco products; lighters; matches; smokers’ articles.</p> |

53. I shall begin by comparing the opponent’s goods in class 34 with the applicant’s goods. Approaching the opponent’s objection to the applicant’s goods in class 5 on the basis outlined in paragraph 45 above, it is obvious that the physical nature of the opponent’s cigarette paper is different to what I will, for the sake of convenience, refer to as the applicant’s smoking related pharmaceutical preparations. While the respective users may be the same i.e. a person who smokes, they may also be different i.e. an ex smoker who uses the applicant’s goods to remain that way. Regardless of that distinction there is, in my view, a high degree of similarity in the respective users. The uses are different i.e. one is for use with loose tobacco to create a cigarette whereas the other is for use in smoking reduction/cessation; the method of use of the competing goods clearly differs. The goods are not competitive (i.e. the average consumer would not substitute one for the other) nor are they complementary in the sense outlined in *Boston Scientific*. As to channels of trade, the competing goods would be sold in the types of retail outlets and websites I have described above. When sold in supermarkets, the applicant’s goods will be sold in a completely different area of the store to the opponent’s goods; there is no evidence the competing goods are sold through the same

websites. Notwithstanding that at a high level of generality the competing goods are both used in the smoking related field, if there is any similarity between these goods (which, in my view, is doubtful), it must be at a very low level.

54. Turning now to the competing goods in class 34, as the term smokers' articles in the applicant's specification would include the opponent's cigarette paper these goods are identical on the principles outlined in *Gérard Meric*. As to lighters and matches in the applicant's specification, I accept that these goods will have the same users as the opponent's goods and will be sold in proximity in retail outlets of various types. While the physical nature, intended purpose and method of use all differ and although the goods are not in competition with one another, as it will ultimately be necessary for the cigarette paper to be lit (and traditionally a lighter or a match is used for this purpose) there is, in my view, an element of complementarity between the competing goods resulting in a degree of similarity, albeit a relatively low degree. That leaves cigarettes, tobacco and tobacco products to consider. In its submissions the applicant says that it accepts:

“13...that there may be a certain degree of complementarity between some cigarette papers and cigarettes, tobacco and tobacco products...”

However, it points to the decision in (*Waterford Wedgwood plc vs Assembled Investments (Proprietary) Case C-398/07P*) where the similarity between wine and glassware was considered and rejected and concludes:

“13...this does not automatically lead to the conclusion that the goods are similar...”


55. A cigarette is made up of a combination of, inter alia, cigarette paper and tobacco. The purpose of cigarette paper is, when combined with tobacco, to create a cigarette to be smoked. Considered from the standpoint of a member of the public, the users of cigarettes, tobacco and tobacco products and cigarette paper are the same; the method of use is similar. The goods are sold in the same types of retail establishments mentioned earlier. Without tobacco there would be no cigarette; without cigarette paper there would be no cigarette; cigarette paper and tobacco/tobacco products share a symbiotic relationship. As a member of the public may chose to make his own cigarettes as opposed to buying ready-made cigarettes, there is an element of competition between the goods. Considered overall, there is, in my view, a high degree of similarity between the opponent's cigarette paper and the applicant's cigarettes, tobacco and tobacco products.

56. Comparing the opponent's wholesaling services in class 35 with the applicant's smoking related pharmaceutical preparations in class 5 I reach the same conclusion as I did when I compared the opponent's goods in class 34 to the applicant's goods in class 5. Notwithstanding that at a high level of generality the competing goods and services are both in the smoking related field, there is nothing in the opponent's evidence which indicates that the users of the opponent's services are the same as the

users of the applicant's goods in class 5. Insofar as it is possible to make any realistic comparison of the competing goods and services, they appear to me to differ in all but the most superficial of ways. If there is any similarity between the opponent's services in class 35 and the applicant's goods in class 5, it must, once again in my view, be at a very low level. That leaves the comparison between the opponent's services in class 35 and the applicant's goods in class 34 to consider. The opponent's services in this class relate to the wholesaling of a wide range of smokers' articles. As the users of both the opponent's services and the applicant's goods may be the same, and bearing in mind the identity/degree of similarity between the goods being wholesaled by the opponent and those in which the applicant wishes to trade, there is, in my view, at least a moderate degree of similarity between the opponent's services and the applicant's goods.

Comparison of trade marks

57. For the sake of convenience the trade marks to be compared are as follows:

| Opponent's trade marks | Applicant's trade mark |
|--|------------------------|
|  | <p>KUJU</p> |

58. It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as a whole and does not pause to analyse their various details. In addition, he/she rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he/she has kept in his or her mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must then go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

Distinctive and dominant components

59. As a word presented in upper case no part of which is highlighted or emphasised in any way, the applicant's KUJU trade mark has no distinctive or dominant elements; the distinctiveness lies in the trade mark as a whole. The opponent argues that the word KULU is the dominant and distinctive element of its earlier trade marks; not surprisingly the applicant disagrees, pointing to other elements within the respective trade marks which they argue even if they are of "lesser distinctiveness" cannot be completely disregarded. The first of the earlier trade marks consists of the words KULU and TRADING separated by a circular device element. While both words are presented in upper case, the word KULU is in larger text than the word TRADING and is also presented in bold. Bearing in mind that I have concluded this trade mark has only been

used in relation to services, the word TRADING is, in those circumstances, neither a distinctive nor dominant element of the trade mark. Although the word KULU and the device element are both equally distinctive elements, the size and positioning of the word KULU as the first word in the trade mark together with the fact that it is also presented in bold, gives it a degree of visual dominance over the elements which follow it.

60. The second of the earlier trade marks consists of the word kulu presented in blue in a stylised lower case script. The words KING SIZE PAPER presented in black in upper case and in smaller text appears below this word. Given the size of the word kulu and bearing in mind that I have concluded that this trade mark has only been used for cigarette paper, the stylised word kulu is both the distinctive and dominant element of this trade mark. I will bear these conclusions in mind when approaching the visual, aural and conceptual comparison.

Visual similarity

61. Both parties' trade marks consist of or contain an element which consists of a four letter word in which the first two letters and last letter are identical; the word is the only element in the applicant's trade mark, and will, I think, be considered a distinctive and dominant element of the opponent's trade marks. Notwithstanding the presence of the distinctive device and the word TRADING in the first of the earlier trade marks and the stylisation of this word in the second earlier trade mark, there remains, in my view, a reasonable degree of visual similarity between the competing trade marks.

Aural similarity

62. The applicant's trade mark consists of two syllables and will, in my view, be pronounced as COO-JEW. Insofar as the first of the earlier trade marks is concerned, it is well established that where a trade mark consists of a combination of words and devices, the average consumer is most likely to refer to the trade mark by the word elements. The first element consists of a two syllable word which will, in my view, be pronounced as COO-LOO; the second element consists of the word TRADING the pronunciation of which is predictable. The aural similarities between COO-JEW and COO-LEW are obvious. As to how the average consumer will articulate the first earlier trade mark, there are, in my view, two possibilities. If, as I suspect, only the first element is articulated there will be a high degree of aural similarity. However, if the average consumer articulates both word elements present in the first earlier trade mark the word TRADING will provide a point of aural difference which will reduce the overall degree of aural similarity, but not, in my view, significantly. As far as the second earlier trade mark is concerned, I have no such reservations. The fact that the words KING SIZE PAPER relate to the goods sold under the trade mark, leads me to conclude that the average consumer is most unlikely to articulate them, resulting in a high degree of aural similarity between the competing trade marks.

Conceptual similarity

63. As far as I am aware, the words KULU, KUJU and the device element present in the first earlier trade mark have no meaning; they will, therefore, send no conceptual message to the average consumer. The meaning of the word TRADING and KING SIZE PAPER will be well known to the average consumer. Insofar as the earlier trade marks will send any conceptual message to the average consumer, they are likely to be of a business conducted (the first earlier trade mark) or a product sold (the second earlier trade marks) under the word KULU.

Distinctive character of the earlier trade marks

64. I must now assess the distinctive character of the earlier trade marks. The distinctive character of a trade mark can be appraised only, first, by reference to the goods and/or services for which it is registered and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods and/or services for which it has been registered as coming from a particular undertaking and thus to distinguish those goods and services from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. As I mentioned above, the word KULU and the device present in the first earlier trade mark have no meaning. Although both earlier trade marks also contain descriptive/non-distinctive elements, considered overall, the earlier trade marks are, in my view, possessed of a fairly high degree of inherent distinctive character. Although I have concluded that the opponent has used its earlier trade marks in relation to the goods and services mentioned above, given what I assume to be the inevitable size of the markets for these goods and services, the level of use demonstrated is insufficient for it to benefit from an enhanced distinctive character.

Likelihood of confusion

65. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is also necessary for me to factor in the distinctive character of the opponent's earlier trade marks as the more distinctive these trade mark are the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods and services, the nature of the purchasing process and that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. In reaching a conclusion, I note that in *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, in which the CJEU said:

“29. In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).

30. However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31. In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32. The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33. If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

34. This would be the case where, for example, the owner of a widely-known mark makes use of a composite sign juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

35. Thus, contrary to the intention of the Community legislator expressed in the 10th recital in the preamble to the directive, the guarantee of the earlier mark as an indication of origin would not be assured, even though it still had an independent distinctive role in the composite sign.”

66. Earlier in this decision I concluded that in relation to CTM no. 2974483 the word KULU has a degree of dominance over the other elements present in the trade mark, and, insofar as CTM no. 2974517 was concerned, the stylised word kulu is the

dominant element. Although this latter trade mark is presented in colour, as the applicant's trade mark is presented in black and white this does not, for the reasons given by Mann J in *Specsavers International Healthcare Ltd v Asda Stores Ltd* (No. 2) [2011] FSR 1, assist in distinguishing the competing trade marks. I also concluded that there is a reasonable degree of visual similarity and a high degree of aural similarity between the competing trade marks (the latter of which would not, in my view, be reduced significantly if the word TRADING in the first trade mark was articulated) and that the conceptual position is effectively neutral. Insofar as the applicant's goods in class 5 are concerned, I concluded that if there is any similarity with the opponent's goods and services following my proof of use assessment it is at a very low level. As the test for likelihood of confusion is a cumulative one, there must be at least some similarity in the competing goods/services for the test to be engaged. I am not convinced there is, however, proceeding on the basis that there is a degree of similarity in the competing goods and services which is sufficient to engage the test and notwithstanding the similarities in the trade marks I have identified above, I am more than satisfied that the significant differences in the competing goods and services combined with the degree of care the average consumer will take when selecting (at least) the applicant's goods in class 5 is sufficient to avoid the likelihood of either direct or indirect confusion. The opposition to the applicant's goods in class 5 fails.

67. Insofar as the applicant's goods in class 34 are concerned, I found that the degree of similarity with the opponent's goods and services varied from identical to at least moderate; I also concluded that the cost of the majority of the goods at issue is unlikely to be high. Considered from the standpoint of a member of the public who will pay varying degrees of attention to the selection of the goods at issue, I have concluded that the degree of visual and aural similarity between the competing trade marks is sufficient, when considering in the context of reasonably low cost goods to whose selection (in the main) only a reasonable level of attention will be paid, for a likelihood of confusion to occur. In my view, this confusion is mostly likely to be direct confusion i.e. where one trade mark is mistaken for the other. Ordinarily that would be the end of the matter and the opponent's opposition to the applicant's goods in class 34 would succeed. However, in its submissions the applicant said:

"16. In the event that any of the submissions made are rejected and would otherwise result in the rejection of the application in whole or part, the applicant offers a restriction of the goods applied for in class 34 to "tobacco substitutes, cigarettes containing tobacco substitutes and devices containing nicotine, not for medical purposes" as a fall back position..."

68. The phrase "cigarettes containing tobacco substitutes" would fall within the term cigarettes at large. In approaching the remainder of the fall-back specification, I have assumed that "tobacco substitutes" falls within the term "tobacco products" and that "devices containing nicotine (which may or may not be a reference to goods of the type exemplified by an electronic cigarette) fall within the term "smokers' articles". However, even if the goods in the fall-back specification are prima facie acceptable, given the obvious similarities between these restricted goods and those I assessed above, the

fall-back specification does not, in my view, assist the applicant. The opposition to the applicant's goods in class 34 succeeds.

The objection based upon section 5(4)(a) of the Act

69. The remaining ground of opposition is based upon section 5(4)(a) of the Act which reads as follows:

“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

(b)

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

70. The elements of passing-off (often referred to as the classic trinity) can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, Lord Oliver summarised the position and stated:

“The law of passing off can be summarised in one short general proposition--no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

Material date

71. Trade mark and passing-off cases have to be considered in relation to (a) particular point(s) in time. A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993 (the regulation in relation to the

Community trade mark). This was the subject of consideration by the GC in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Joined Cases T-114/07 and T-115/07*, in which it stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429). 13 of 23

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.

72. It is necessary for the opponent to establish that at the date of the filing of the application for registration of the trade mark, 15 December 2011, it had a protectable goodwill in relation to the sign upon which it relies. Consideration has also to be given to the position at the date that the behaviour complained of commenced as per *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9, if this is earlier than the date of application. This has to be considered when the trade mark the subject of the application has been used prior to the date of application for the same goods or some goods of the application. As there is no evidence that the applicant has used the trade mark the subject of its application, the date of the application, 15 December 2011, is the date of the behaviour complained of and the sole material date for the purposes of these proceedings.

73. As the opponent has already succeeded in its opposition to the applicant's goods in class 34, it is only necessary for me to consider this ground insofar as it relates to the applicant's goods in class 5. In its pleadings the opponent relies on its use since 2006 of the word KULU alone presented in block capital letters in relation to “smokers' articles, including cigarette papers.” In its submissions the opponent says:

“The following statement is made at page 148 of Wadlow's *the Law of Passing-Off* (4th Ed. 2011...):

Goodwill is normally created by trading, and very slight trading activities have been held to suffice.”

In the present case, and referring in particular to the sales figures listed in [Mr Tate's statement] it is submitted that the evidence shows that the opponent's use of the trade mark KULU in the UK is more than trivial, and indicates that at the material date the opponent enjoyed a goodwill in that trade mark for a wide range of smokers' articles and related commercial mediation and retail services.”

74. I am prepared to accept that by the material date in these proceedings the opponent will have acquired a protectable goodwill in the word KULU. However, as this goodwill would not, in my view, extend beyond the boundaries of the goods and services upon which I have already concluded the earlier trade marks have been used, and while I understand that in actions for passing off there is no need for a common field of activity *Lego System Aktieselskab and Another v Lego M. Lemelstrich Ltd* [1983] FSR 155 refer, I am also aware that in *Harrods v Harrodian School* [1996] RPC 697 the difficulty in establishing confusion where there is a distance between the fields of activities was considered by Millet LJ who stated:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services”

In the same case Millet LJ held:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

75. It is clear from the above that while a common field of activity is not fatal, it is an important and highly relevant consideration; the further apart the competing fields of activity, the more difficult it will be for the opponent to establish that misrepresentation and damage will occur. Notwithstanding that both parties either operate or wish to operate in, broadly speaking, the smoking related field, the distance between the applicant’s goods in class 5 and the goods and services in which the opponent has goodwill is, in my view, simply too great for the average consumer to suppose that the opponent has made itself responsible for the quality of the applicant’s goods. The opposition based upon section 5(4)(a) to the applicant’s goods in class 5 fails, and would have, had it been necessary for me to decide the matter, succeeded in relation to its goods in class 34.

Overall conclusion

76. The opposition has failed in relation to the goods in class 5 but succeeded in relation to the goods in class 34.

Costs

77. As both parties have achieved a measure of success, I do not intend to favour either with an award of costs.

Dated this 16th day of May 2013

**C J BOWEN
For the Registrar
The Comptroller-General**