

**O-306-15**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION 2634667  
BY KT & G CORPORATION  
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 34:**





**AND**

**OPPOSITION THERETO (NO. 104332) BY  
BRITISH AMERICAN TOBACCO (BRANDS) INC**

## **Background and pleadings**

1. The above mark was filed by KT & G Corporation (“the applicant”) on 13 September 2012. It was published for opposition purposes on 12 October 2012. Registration of the mark is opposed by British American Tobacco (Brands) Inc, (“the opponent”) under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies on a single mark (UK registration 2539136) of which it is the proprietor. The opponent’s mark was filed on 16 February 2010 and registered on 28 May 2010. Given all this, the dispute boils down to an alleged conflict between the following marks:

<b>Applicant’s mark</b>	<b>Opponent’s mark</b>
 <p data-bbox="193 1070 783 1346">Class 34: Tobacco; cigarettes; cigars; snuff; cigarette papers; tobacco pipes; cigarette filters; cigarette cases, not of precious metal; tobacco pouches; cigarette lighters, not of precious metal; matches; pipe cleaners for tobacco pipes; ashtrays for smokers, not of precious metal; cigar cutters.</p>	 <p data-bbox="815 1070 1366 1171">Class 34: Cigarettes, tobacco, tobacco products, lighters, matches, smokers articles.</p>

2. Given its filing date, the opponent’s mark qualifies as an earlier mark in accordance with section 6 of the Act. Furthermore, given the date on which the opponent’s mark was registered, it is not subject to the proof of use requirement set out in section 6A of the Act meaning that the opponent is able to rely on its earlier mark for all of the goods for which it is registered. The opponent makes a number of claims including that:

- i) The goods are identical.
- ii) The marks are “confusingly similar”.
- iii) Its mark is inherently distinctive, but also has enhanced distinctiveness.
- iv) Both marks consist of a circular device with a prominent outer border and shading towards the centre.
- v) The word elements in the applied for mark are not sufficient to differentiate them.
- vi) The words THE ONE are laudatory.

vii) The word “BLUE” is generic in relation to class 34 goods because it is customarily used to indicate the strength of tobacco products.

3. The applicant filed a counterstatement denying the claims. The main aspects of its defence are that:

- i) The opponent’s mark consists of a simple geometric shape surrounded by a simple border of the same colour/shading, serving a mere decorative purpose. The earlier mark has a very weak level of distinctive character meaning that its scope of rights is severely limited.
- ii) The IPO did not “cite” the earlier mark during the examination process.
- iii) The outer border in its mark displays colour graduation, whereas the outer border in the opponent’s mark does not.
- iv) The inner circle in the opponent’s mark depicts darker shading giving a 3-d feel whereas its mark has no inner circle which matches the outer border.
- v) The words in its mark have more significance because, generally speaking, verbal elements are more important. It refers to case T-205/06 *New Soft Technology v OHIM* in support.
- vi) The words THE ONE blue carry no meaning for goods in class 34.
- vii) The opponent is put to proof on its claim to having a reputation in relation to its mark.

4. Both sides have been professionally represented throughout the proceedings, the applicant by Keltie LLP, the opponent by Baker & McKenzie LLP. Neither side filed evidence. Neither side requested a hearing. The opponent filed written submissions in lieu of a hearing, the applicant did not.

#### **The absence of evidence**

5. That no evidence has been provided in these proceedings gives rise to a number of consequences:

- i) The opponent initially pleaded a ground under section 5(3) of the Act. However, following a refusal of a request for additional time to file evidence (and the consequent failure to file evidence), the opponent was advised that its opposition under section 5(3) was deemed withdrawn. The opponent did not object to this, but, nevertheless, it still relied on section 5(3) in its written submissions. Section 5(3) is no longer part of these proceedings. The ground was, effectively, struck out. Even if it had not been, the absence of evidence is fatal. In its written submissions the opponent submits that its earlier mark is “sufficiently in the public domain such that supplemental evidence is not required”. I reject this submission. It is for the opponent to establish its reputation, it has not done so.
- ii) The opponent’s claim that its mark has an enhanced distinctive character through its use must also be rejected. Although this aspect of the claim was not formally struck out, the same rationale as above applies. It is for the opponent to establish that its mark has an enhanced distinctive character through its use, but it has not done so. The position is

particularly acute when one bears in mind that the mark does not even appear to be the whole of the mark being used. The opponent describes the mark as the Lucky Strike logo (which has apparently been used since the 1900s) which suggests that the words LUCKY STRIKE appear over the circular device. That the mark is used in conjunction with another element is not, in and of itself, fatal, but the position would have had to have been carefully assessed in order to establish if the distinctive character of the mark as registered was enhanced through the use of the composite sign.

- iii) The opponent's claim that the word/colour blue has some particular significance in the trade (indicating the strength of tobacco products) must also be rejected as this is an issue of fact that needs to be established by evidence. Although the opponent made a submission in its written submissions that blue is generic in the field, this is not something that the tribunal can accept as a matter of judicial notice.
- iv) Although not to do with the absence of evidence, I highlight upfront that the applicant's suggestion that there is no likelihood of confusion because the earlier mark was not picked up in the *ex officio* examination of the mark is rejected. The matter must be judged by the tribunal.

### **Section 5(2)(b)**

6. Section 5(2)(b) of the Act states that:

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

(a).....

(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,

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

7. The following principles are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

(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 be dominated by one or more of its components;

(f) however, it is also 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 creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of goods**

8. The applicant has made no comment on the similarity of the competing goods. Therefore, I have no counter-submission to the opponent's claim that the goods are identical. I note that the opponent's specification includes the terms: "tobacco products" and "smokers' articles". The applied for goods are:

Class 34: Tobacco; cigarettes; cigars; snuff; cigarette papers; tobacco pipes; cigarette filters; cigarette cases, not of precious metal; tobacco pouches; cigarette lighters, not of precious metal; matches; pipe cleaners for tobacco pipes; ashtrays for smokers, not of precious metal; cigar cutters.

9. It seems to me that all of the applied for goods are either tobacco products or smokers' articles. The applied for goods, therefore, fall within the ambit of the opponent's goods, with the consequence that they must all be considered identical.

### **Average consumer and the purchasing act**

10. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

11. The average consumer of tobacco products will be a member of the general public who (legally) must be over the age of 18 to buy them. End users could, though, be younger than that. There will be a range of levels of attention depending on whether, for example, a packet of cigarettes is bought as a routine purchase, or an expensive cigar is bought for a special occasion. In general, the level of attention of the average consumer will be of a medium level, neither higher nor lower than the norm. Tobacco products are most often sold over the counter, meaning that they will have to be requested orally. Whilst in larger stores such as supermarkets the actual goods may not even be on display, the regulations that introduced this non-display policy were only in force in England (not Wales, Scotland and Northern Ireland) prior to the relevant date<sup>1</sup>, so I will not place too much emphasis on this point. Nevertheless, I consider it clear that both the aural and visual impacts of the marks are important.

12. In terms of smokers' articles, slightly different considerations apply. Generally speaking, the same average consumer will apply (although there will be no age prohibition on certain smokers' articles) but whilst the goods may also be sold behind a counter and requested orally, some goods may be sold in a more traditional method, such as on supermarket shelves (and the online equivalents). This means that both aural and visual considerations are, again, important.

---

<sup>1</sup> The relevant regulations, which I take account of as a matter of public record, came into force in April 2012 (England), October 2012 (Northern Ireland), December 2012 (Wales) and April 2013 (Scotland). Some exclusions exist in the regulations including the ability of the consumer to ask to see the goods, that there may be printed price lists, or that there may be leaflets showing pictures of the goods, albeit for this last category it may not be on permanent display. The same policy now applies to smaller stores, but the regulations were not in force anywhere in the UK prior to the relevant date.

## Distinctive character of the earlier mark

13. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

14. As I have already stated, the opponent’s claim that its mark has an enhanced level of distinctive character is rejected. I have, therefore, only the inherent characteristics of the earlier mark to consider. This is the mark:



15. In its counterstatement the applicant stated that the earlier mark has a very weak level of distinctive character because it consists of a simple geometric shape surrounded by a simple border of the same colour/shading, serving a mere decorative purpose. The opponent submits that its mark is inherently distinctive, as it features a shaded circle with a darker outer ring separated from the inner circle to create a visually striking impression that will readily be remembered by consumers.

16. It would not have been open to me to find that the earlier mark lacks distinctive character completely. Whilst there are mixed national authorities on the point<sup>2</sup>, the judgment of the CJEU in *Formula One Licensing BV v OHIM* indicates that a registered trade mark must be considered to have at least a minimum degree of distinctive character. It is important, though, to still consider the strength of that distinctive character. The mark is not, in my view, as simple a mark as the applicant alleges. Having said that, it is far from being a highly distinctive mark. Whilst I note the features the opponent refers to, it does not, in my view, create a visually striking impression. I consider the earlier mark's distinctive character to fall between low and medium, what I would describe as a moderate level of inherent distinctive character.

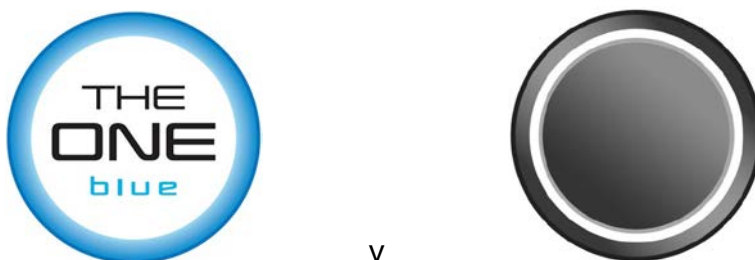
### Comparison of marks

17. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

18. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

19. The marks to be compared are:



20. There is a dispute as to the most important part(s) of the applicant's mark. The opponent considers that the circular device is the dominant and distinctive element on account of the words THE ONE being laudatory and the word blue being generic (a claim I have already dismissed). The applicant considers the words THE ONE

<sup>2</sup> Compare *Wella Corporation v Alberto-Culver Company* [2011] EWHC 3558 with *Samuel Smith Old Brewery v Philip Lee* [2011] EWHC 1879 at paragraph 82



blue to be the dominant part of the mark on account of verbal elements generally having more importance. I bear in mind that the point about verbal elements generally being more important is, as the opponent has submitted, no more than a rule of thumb. Each mark must be considered on its own merits. The applicant's mark is comprised of the words THE ONE, the word blue (which I consider to be a separate element from the other words) and the circular shaded element encircling the words. Although the words THE ONE have a laudatory suggestive quality, they are not descriptive or wholly and obviously non-distinctive, such that they would be overlooked or downplayed in the overall impression of the mark. Indeed, given that I consider the circular element to be little more than a border to those words, I consider the words THE ONE to be the element of the mark that has the greatest relative weight in its overall impression. The word blue, even though there is no evidence of its generic nature, plays a weaker role in view of its subordinate nature in the overall impression. A weaker role is also played by the circular device/border. The earlier mark has only one component which, accordingly, comprises its overall impression.

21. Aurally, there is no similarity because the applied for mark will be articulated as THE-ONE, or THE-ONE-blue, whereas the earlier will either not be articulated at all, or, alternatively, articulated by way of some form of description of the mark. The opponent's submission to the contrary is based upon its assessment of the dominant and distinctive component, a submission I have already rejected. This applies also to the conceptual analysis, the opponent arguing that the concept of the applied for mark is based on the circular device. Given the overall impression of the applied for mark, the concept will be dominated by the words THE ONE. This is the conceptual hook for the mark. This concept is completely different from the earlier mark (the concept being based on a circular device comprised of an inner circle and outer ring), so there is conceptual dissonance. Even if the average consumer were to conceptualise the applied for mark on the basis of the circular device in addition to the verbal elements, any similarity on a conceptual level would still only be very low.

22. Visually, there is a similarity as both marks have a similarly wide outer ring, which forms a border around the verbal elements in the applied for mark. Contrary to what the applicant states, both rings have a degree of shading in the colour. In terms of colour, that the applied for mark is in blue does not create a difference because, notionally speaking, the earlier mark could also be used in blue. There are, though, some clear differences. The verbal elements are one, the other is the noticeable inner circle of shaded colour (or monochrome). Weighing up the similarities and differences, and having regard to the overall impression as set out earlier, I consider any visual similarity to be of only a low degree.

### **Likelihood of confusion**

23. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

24. That the goods are identical is an important factor because a lesser degree of similarity between the marks may be offset by a greater degree of similarity (in this case identity) between the goods. Confusion can be direct, in the sense that one mark is mistaken for the other, or indirect, in the sense that the average consumer puts some similarity between the marks down to the fact that the undertakings responsible for the goods are the same or are related. In terms of the former, and even bearing in mind the concept of imperfect recollection, I come to the view that there is no likelihood of direct confusion. I have already held that the words THE ONE play a greater relative weight in the overall impression of the applied for mark. Given my views on how the average consumer will perceive and conceptualise the mark, I very much doubt that the marks will be misremembered or misrecalled as each other.

25. In terms of indirect confusion, this was summed up by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

26. Of course, I bear in mind that the three categories of indirect confusion identified by Mr Purvis are just illustrative – he stated that indirect confusion “tends” to fall in one of them. The categories should not, therefore, be considered a straightjacket. In

my view there will be no indirect confusion, in any of the categories identified by Mr Purvis, or any other categories. Whilst the opponent's mark cannot be described as a border (because it is not bordering anything) and is, thus, a device, the circular device in the applied for mark does function, essentially, as a border. Whilst it has more going for it than a simple circular device, it is not much more than that. This lessens the likelihood of the average consumer giving any trade origin significance to the device element/border in the applied for mark. Even if some trade significance were accorded, it is not as though the devices are exactly the same. The earlier mark has an additional inner circle of colour/monochrome. Whilst it is not a necessity in circumstances such as these for the point of similarity to be identical<sup>3</sup>, the two factors I have identified, together with the fact that the earlier mark has only a moderate level of inherent distinctiveness, means that, even in relation to the identical goods at issue, the average consumer will not assume that the goods sold under the respective marks are from the same or related undertakings. This is so even after bearing in mind the concept of imperfect recollection.

27. The opposition fails.

### **Costs**

28. The applicant has succeeded and is entitled to a contribution towards its costs. The costs, though, are fairly limited as neither side filed evidence and the applicant neither requested a hearing nor filed submissions in lieu. My assessment is as follows:

*Preparing a statement and considering the other side's statement - £400*

29. I therefore order British American Tobacco (Brands) Inc to pay KT & G Corporation the sum of £400. This should be paid within 14 days of the expiry of the appeal period or within 14 days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 2nd day of July 2015**

**Oliver Morris  
For the Registrar,  
The Comptroller-General**

---

<sup>3</sup> See, for example, *Aveda Corporation v Dabur India Ltd* [2013] EWHC 589 (Ch)