

O-100-17

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 3126061
BY TOBACCO UNIVERSAL LTD
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 34:**



AND

OPPOSITION THERETO (NO. 405722) BY IMPERIAL TOBBACO LIMITED

Background and pleadings

1. This dispute concerns whether the following trade mark should be registered:



Class 34: Tobacco; smokers' articles; matches; absorbent paper for tobacco pipes; ashtrays for smokers; books of cigarette papers; cigar cases; cigarette cases; chewing tobacco; cigar cutters; cigar holders; cigarette cases; cigarette filters; cigarette holders; cigarette paper; cigarette tips; cigarettes; cigarettes containing tobacco substitutes, not for medical purposes; pocket machines for rolling cigarettes; cigarillos; cigars; firestones; gas containers for cigar lighters; herbs for smoking; humidors; lighters for smokers; match boxes; match holders; matches; mouthpieces for cigarette holders; pipe cleaners for tobacco pipes; pipe racks for tobacco pipes; snuff; snuffboxes; spittoons for tobacco users; tips of yellow amber for cigar and cigarette holders; tobacco; tobacco jars; tobacco pipes; tobacco pouches.

2. The mark was filed on 8 September 2015 by Tobacco Universal Ltd ("the applicant") and it was published for opposition purposes on 25 September 2015.

3. Imperial Tobacco Limited ("the opponent") oppose the registration of the mark under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). The opponent relies on the following earlier marks:

- i) European Union Trade Mark (“EUTM”) registration 1266311 for the mark **RICHMOND** which was filed on 4 August 1999 and registered on 14 August 2000 in respect of the following class 34 goods:

Tobacco whether manufactured or unmanufactured; tobacco products; substitutes for smoking sold separately or blended with tobacco; none being for medicinal or curative purposes; smokers' articles and matches

Given its date of registration, the mark is subject to the use conditions set out in section 6A of the Act. Use is claimed in relation to cigarettes.

- ii) UK registration 2571260 for a series of three marks, the first of which (the others are coloured versions) is depicted below:



The mark was filed on 4 February 2011 and registered on 24 June 2011 in respect of the following goods in class 34:

Tobacco, whether manufactured or unmanufactured; tobacco products; tobacco substitutes, none being for medicinal or curative purposes; cigarettes; cigarillos; cigars; hand-held machines for making cigarettes; cigarette tubes; cigarette filters; cigarette papers; matches and smoker's articles

Given its date of registration, the mark is not subject to the use conditions and may be relied upon for all of the goods for which it is registered.

iii) UK registration 2504796 for the series of 4 marks:

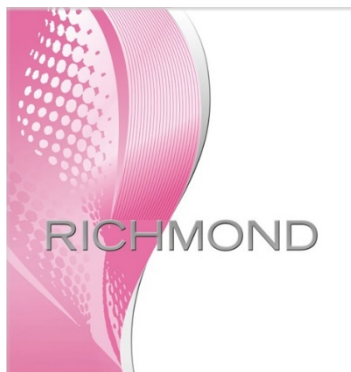


The marks were filed on 13 December 2008 and registered on 17 April 2009 in respect of the following goods in class 34:

Tobacco whether manufactured or unmanufactured; tobacco products; tobacco substitutes, none being for medicinal or curative purposes; cigarettes; cigars; cigarillos; matches and smokers' articles.

Given its date of registration, the mark is subject to the use conditions set out in section 6A of the Act. Use is claimed in relation to cigarettes.

iv) UK registration 2576299 for the mark:



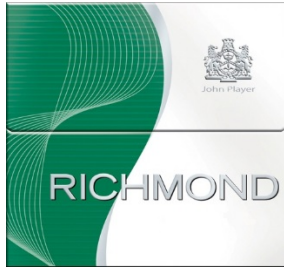
which was filed on 24 March 2011 and registered on 19 August 2011 in respect of the following class 34 goods:

Tobacco, whether manufactured or unmanufactured; tobacco products; tobacco substitutes, none being for medicinal or curative purposes;

cigarettes; matches and smokers' articles; cigarette tubes; cigarette filters;
cigarette papers

Given its date of registration, the mark is not subject to the use conditions
and may be relied upon for all of the goods for which it is registered.

- v) UK registration 2575918 for the mark:



which was filed on 22 March 2011 and registered on 12 August 2011 in
respect of the following class 34 goods:

Tobacco, whether manufactured or unmanufactured; tobacco products;
tobacco substitutes, none being for medicinal or curative purposes;
cigarettes; cigarillos; cigars; hand-held machines for making cigarettes;
cigarette tubes; cigarette filters; cigarette papers; matches and smoker's
articles.

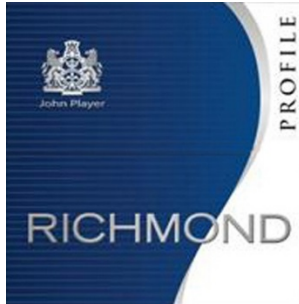
Given its date of registration, the mark is not subject to the use conditions
and may be relied upon for all of the goods for which it is registered.

- vi) UK registration 2590925 for the mark **RICHMOND COMPACT** which was
filed on 10 August 2011 and registered on 25 November 2011. The mark is
registered for the following class 34 goods:

Tobacco, whether manufactured or unmanufactured; tobacco products;
tobacco substitutes, none being for medicinal or curative purposes;
cigarettes; matches and smokers' articles; cigarette tubes; cigarette filters;
cigarette papers.

Given its date of registration, the mark is not subject to the use conditions and may be relied upon for all of the goods for which it is registered.

vii) UK registration 2606791 for the mark:



which was filed on 12 January 2012 and registered on 27 April 2012 in respect of the following class 34 goods:

Tobacco, whether manufactured or unmanufactured; tobacco substitutes, none being for medicinal or curative purposes; matches and smokers' articles.

Given its date of registration, the mark is not subject to the use conditions and may be relied upon for all of the goods for which it is registered

4. All of the above marks are relied upon under section 5(2)(b). Only mark i) is relied upon under section 5(3), claiming a reputation in relation to cigarettes. Under section 5(4)(a) of the Act the opponent relies on the use of the sign **RICHMOND** since 1999 in relation to cigarettes.

5. The applicant filed a counterstatement denying the claims. It put the opponent to proof of use in respect of the two marks that are subject to the use conditions. Both sides are professionally represented, the applicant by Bryers LLP, the opponent by Stevens Hewlett & Perkins. Both sides filed evidence, the applicant's evidence was also accompanied by written submissions. Neither side requested a hearing or filed written submissions in lieu.

The evidence

The opponent's evidence

6. This comes in the form of a witness statement from Mr Jonathan Hurd, Intellectual Property Counsel for the opponent.

7. Mr Hurd provides evidence about the use of the RICHMOND brand of cigarettes which was launched in the UK in 2009. Turnover and market share has been significant. For example, between 2012 and 2015 per annum turnover figures have been over £100 million and market share between 10% and 5%. Examples of the mark(s) in use are provided on price lists (some within the relevant proof of use period) which all depict the RICHMOND name on packets of cigarettes. Sample invoices are also provided addressed to UK suppliers, most of which are within the relevant proof of use period, which identify RICHMOND as the product being sold (alongside designations such as KS (king size) and SKS (super king size) which I accept will be seen as descriptive additions).

8. Mr Hurd also provides evidence about the applicant. He firstly gives his view that the subject mark will be read as RICH MAN given that the figurative elements of the mark give the impression of a man. He also provides an image of a mark the applicant filed in Russia which depicts the figurative element but, also, the words RICHMAN separately.

9. Mr Hurd then discusses the manufacture of what he describes as “cheap whites”. HMRC apparently describes this as a cigarette brand legally manufactured by a company, often in an emerging economy, with the intent of exporting to other countries through a smuggling network, so being sold illegally without domestic duty being paid. Mr Hurd considers the subject brand to be a cheap white. Mr Hurd comes to this view because in an annex to a report (exhibited at JH8) on the website www.tobaccocontrol.bmj.com entitled Tobacco Control, there is a list of definitions for cheap whites and, also, a list of cheap whites which includes Richman. The reference to RICHMAN also lists UAE as the manufacturing site and Mr Stepanchuk Ruslan

Dmytrovych as the trade mark owner. An extract from the Companies House website shows that one of the officers of the applicant company is Ruslan Stepanchuk.

10. In terms of the definitions of cheap white given in the report, I do not think it necessary to add to the definition already given above. I note that Mr Hurd states that in his experience cheap whites are often sold in packaging which closely resembles the packaging of well-known legitimate brands. However, I note that from the numerous definitions provided in the report mentioned above, that only one mentions this practice, with a definition attributable to the World Customs Organization stating that a sub-category of cheap whites are “product doubles” that feature graphics and colours that are similar to well-known brands, but have different, often similar names. Mr Hurd believes that as the applied for mark will be perceived as RICHMAN, it was filed in order to support continued activity in the manufacture of cheap whites which trade on the reputation and goodwill the opponent has built up in its RICHMOND trade mark.

11. Mr Hurd explains that the opponent has successfully opposed international registration number 1145085, filed by Ruslan Stepanchuk, in Hungary, Denmark, Bulgaria and Sweden (translated decisions from the respective IPOs are provided in exhibits JH9-JH12). He adds that the international registration was refused in Moldova on the grounds that it conflicted with a Moldovian registration for a RICHMOND label. The notice of refusal is provided in exhibit JH13.

12. Reference is made to the European trade mark RICHMAN (no 11644614) which was filed in the name of Global Tobacco FZCO. The EUIPO found in the opponent’s favour in a decision dated 11 November 2014 and upheld by the Board of Appeal in a decision dated 28 April 2016 (Exhibit JH14 contains the decision of the Board of Appeal). It should be noted that the mark the subject of those proceedings was not just RICHMAN, but it also contained some figurative elements including a stylised letter R.

13. Mr Hurd states that on 20 May 2016 new regulations (The Standardised Packaging of Tobacco Products Regulations 2015) relating to the packaging of tobacco products came into force. Without detailing all of the requirements, one of

them is that brand names used on packaging must be in standard text (with no logos) no larger than 10 point. Products on sale from May 2017 must comply with what I will call the standardised packaging regulations (in fact the requirements were applicable from May 2016 but a one year grace period was put in place so that stocks of old products could be used up). Mr Hurd states that when the requirements are complied with it is inevitable that market place confusion will occur.

The applicant's evidence

14. This comes from Mr Stepanchuk, the applicant's company director. He deals primarily with the allegation that the applicant is a manufacturer of cheap whites. He considers the claim to be offensive and misleading. In summary, Mr Stepanchuk states that the RICHMAN referred to in the report provided by Mr Hurd is a reference to the owner of the RICHMAN EUTM, Global Tobacco FZCO, who are based in Dubai. He considers the authors of the report to have made a mistake and its contents are defamatory. He states that the applicant's name is not mentioned anywhere in the report. He confirms that he has no connection with Global Tobacco FZCO and has no connection with cheap white RICHMAN cigarettes.

15. Mr Stepanchuk exemplifies the misleading nature of the report by flagging that Imperial Tobacco Company Limited (a name very similar to the opponent) is identified as the manufacturer of cheap whites, but that this is an Indian company registered there (Exhibit RDS1 contains relevant company details).

16. Exhibit RDS2 contains a presentation entitled "Cheap White Cigarettes / Uncommon Brands" produced by the German Customs Investigation Bureau which Mr Stepanchuk states led to the conclusion (presumably in the report) that RICHMAN was a cheap white. The presentation contains representations and details of a number of claimed cheap whites, one of which is RICHMAN (stylised with a crest device) identified to be produced in the UAE. Mr Stepanchuk has done some research and he refers to a website at www.imperialtobaccocompany.in (and provides prints in Exhibit RDS3) which he considers to identify the manufacturer of those cheap whites; the website refers to a company of the same name as being a manufacturer in India and Dubai and that, amongst its brands, RICHMAN (with crest) is one. A Whois print for

the domain name shows that it is owned by Imperial Tobacco Company in India. Mr Stepanchuk adds that the journal relied upon by the opponent also contained a notice (shown in RDS5) stating that the appendices had not been edited before publishing.

17. The applicant also filed some written submissions. I will not summarise them in detail (but they are borne in mind), but I note the following:

- The EUIPO decision is not relevant because the mark the subject of those proceedings was held to have RICHMAN as its dominant element whereas the applicant's mark has a dominant figurative element comprising a top hat, moustache and tie.
- The successful oppositions against Mr Stepanchuk's international mark are for RICHMAN alone, not RICH M N and dominant figurative element and, thus, it is not appropriate to invoke those decisions. It is claimed that the international mark has secured protection in a number of EU countries.
- That although proof of use has been furnished of RICHMOND for cigarettes, this does not guarantee strong distinctive character.
- A high degree of care will be adopted by consumers due to brand loyalty and the addictive nature of the product.
- That the standardised packaging regulations do not expressly prohibit the use of figurative elements.
- That the standardised packaging regulations cannot be used as a mechanism to refuse protection of a trade mark – various provisions are quoted in relation to this.

The opponent's reply evidence

18. This comes, again, from Mr Hurd. He states that contrary to what Mr Stepanchuk states, it is the verbal element of the mark which is more dominant. He states that

case-law has established that “words speak louder than devices”. He provides two decisions from this tribunal in support.

19. Mr Hurds states that the figurative element in the applied for mark is not just a person but a male person.

20. Mr Hurd states that the applicant cannot have it both ways when it argues, on the one hand, that the dominant element in the mark the subject of the EUIPO dispute are its words, and on the other hand, arguing that the dominant element of its mark is its figurative element. I highlight here that there is no reason why Mr Stepanchuk could not make that submission because what comprises the dominant element must be assessed on a mark by mark basis. Mr Hurd also considers the oppositions against the international registration to be relevant. He adds that where protection was obtained, this was because the territories were not important to the opponent.

21. In relation to the standardised packaging regulations, Mr Hurd confirms that he is not seeking refusal based on a conflict with the regulations, but merely that when the regulations come into force and are complied with, marketplace confusion is inevitable.

The proof of use provisions

22. Two of the earlier marks are subject to the use conditions set out in section 6A of the Act, which read:

“(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 [.....]”

(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 [.....]

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

23. Section 100 is also relevant, which reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

24. It is not necessary to deal with proof of use in detail. This is because the applicant appears to accept that proof of use has been furnished in relation to the RICHMOND mark. I agree. Bearing in mind the principles relating to genuine use as summarised by Arnold J in *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Anor*, [2016] EWHC 52, and bearing in mind the evidence that has been provided, I accept that use has been made in relation to the RICHMOND earlier mark in respect of cigarettes (the goods for which use is claimed). This is so notwithstanding that the RICHMOND word mark is an EUTM and so the genuine use is use in the EU. The test is still met as the evidence is sufficient to demonstrate genuine use in the EU market.

25. No concession is made by the applicant in relation to the earlier figurative mark which is also subject to the use conditions. However, as the opponent has other figurative marks for which the use conditions do not apply, the figurative mark takes it no further forward and, so, I need not make an assessment.

Section 5(2)(b)

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

“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,

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

27. 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 greater 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.

28. I will make an initial assessment based on the earlier RICHMOND (word only) mark. I will focus on the applicant's mark in relation to cigarettes in the first instance, returning to the other goods if required.

Comparison of goods

29. Focusing on cigarettes, the goods are identical because the RICHMOND earlier mark may be relied upon in relation to cigarettes.

Average consumer and the purchasing act

30. 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.”

31. The average consumer is the cigarette smoking section of the general public. The applicant argues that brand loyalty (and the addictive nature of cigarettes) plays in part in the purchasing process which results in a careful approach. In its counterstatement it states:

“Purchasers of goods belonging to Class 34 (tobacco, tobacco products, smokers' articles) generally exhibit a greater degree of care during their transactions because of their loyalty to their brand (cf CFI, 22.06.2005, T-34/04, and ECJ, 01.06.2006, C-324/05 P, Turkish Power).”

32. The decisions relied on are not provided by the applicant. The decision of the CJEU is not available in English on the Curia website. The decision of the General Court is (which, in turn, is an appeal from a decision of the Board of Appeal), from which I accept that it indicates that brand loyalty results in a greater degree of care. However, decisions such as this are only binding in so far as they provide guidance on the interpretation of the harmonized legislation – they are not binding in relation to

findings, for example, of particular market characteristics. I say this because the issue of brand loyalty was dealt with by Mr Iain Purvis QC, sitting as the appointed person, in *BONJORNO CAFÉ (AND DEVICE)*, BL O-382-10:

“15. I do not accept that a generalized concept of “brand loyalty” is of any real assistance in assessing likelihood of confusion. First of all it is very hard, in my view, to identify particular categories of product or service as inspiring more brand loyalty than others. Secondly, even if were established that there was a high degree of brand loyalty in a particular field, I do not see how this would advance matters. We are concerned with the likelihood of confusion, not the degree of disappointment which would be caused by an incident of confusion. Questions of likelihood of confusion are always to be approached from the point of view of the “reasonably observant and circumspect” consumer. I do not understand how brand loyalty can be said to affect the consumer’s observation skills or his circumspection. Thirdly, it is rather odd to assume that the concept of “brand loyalty” associated with a general class of products or service tends to reduce the likelihood of confusion, when we are also told by the European Court [*Sabel v Puma* [1998] RPC 199 at 22-24] to assume that a high reputation associated with a specific brand of products or services tends to increase the likelihood of confusion.”

33. I come to the view that the safer analysis is that based on Mr Purvis’ decision. It reflects my own understanding that whilst brand loyalty exists in many fields, including that of cigarettes, this does not automatically equate to a high level of care and consideration being adopted. Cigarettes, whilst heavily taxed, are not particularly expensive. They are purchased by smokers frequently. Whilst I do not hold that the purchasing process is a casual one, there is no reason for me to assume that the average consumer is anything other than reasonably observant and circumspect and will adopt an average (no higher or lower than the norm) level of care and consideration.

34. The opponent refers to the standardised packaging regulations and that this will result in the use of logos being prohibited on cigarette packaging. I assume the point being made is that the visual impact of the applicant’s mark is not relevant at all in the

assessment. However, the relevant date in these proceedings is the date on which the applicant applied for its mark, namely, 8 September 2015. This is before the date on which the standardised packaging regulations came into force. Therefore, I do not regard them, or any impact they may or may not have, as pertinent.

35. That said, I am aware that in the UK there are controls on the way in which cigarettes may be displayed and purchased. They are to be hidden from view behind a counter, normally in a cupboard or other unit, with some form of sliding door, shutter or curtain. I am also aware that a printed list of available brands may be on display in close proximity. The consequence of this is that the consumer must request cigarettes from the sales assistant. I therefore accept that the aural impact of the marks is of importance here, more so than would be the case with other general consumer items, where self-selection is normally the key. However, the visual impact of the marks should not be ignored completely. This is because once the consumer has requested a particular product, he/she is likely to have sight of the packaging at the point of sale when they have been retrieved by the sales assistant.

Comparison of marks

36. 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.”

37. 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. The marks to be compared are:



v

RICHMOND

38. In terms of overall impression, the opponent's mark consists of just one word, RICHMOND, which therefore is the only element which forms part of its overall impression. In terms of the applicant's mark, I agree with the opponent that the overall manner of presentation of the mark means that the verbal elements will be seen as RICH MAN. Despite RICH being visually larger than MAN, I do not consider that RICH plays a materially stronger role than MAN. The figurative element must also be considered. It contributes to the overall impression in quite a striking way, although not to the extent that it dominates the mark. It makes a roughly equal contribution to the overall impression (the point that "words speak louder than devices" is just a rule of thumb").

39. Visually, the marks both contain the letters R-I-C-H, as a self-standing word in the case of the applicant's mark, whereas it is the first element of the word RICHMOND in the opponent's mark. Whilst it could be said that this constitutes an aspect of similarity, I consider that this is strongly countered by the additional word MAN (or more strictly what will be seen as the word MAN) in the applicant's mark, which is presented as a separate word and positioned below the word RICH, compared to the letters MOND

which follow the letters RICH to create RICHMOND. The striking figurative aspect of the applied for mark is also telling. To my eye the marks look strikingly different, so any overall visual similarity based upon the common letters RICH must be assessed as extremely slight.

40. Aurally, the applicant's mark will be articulated as RICH-MAN, the opponent's mark as RICH-MUND. The first syllables are the same. The second syllables have some similarities as they both start with an m- sound and also have an n- sound as part of the syllable. However, there is also a difference in the articulation of the second syllables with the -D sound at the end of the opponent's mark and the difference between the "ah" and "uh" sounds in the middle of the second syllable. There is a reasonable level of aural similarity, although I would not pitch it as high.

41. Conceptually, RICH MAN conjures up the image of a financially well off male. The device in the mark re-enforces this given that it consists of a top hatted male individual. The word RICHMOND does not share this concept, indeed, it is likely to be seen as a name of some sort, most likely a geographical name (or alternatively a surname), there being a number of Richmonds around the UK. The marks have a clear conceptual difference.

Distinctive character of the earlier mark

42. 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)."

43. From an inherent perspective, the word RICHMOND has some geographical (or surnominal) significance, but without those places having any specific reputation for cigarettes or the production of tobacco, there is no reason to accord a low level of distinctive character. It has an average level of inherent distinctiveness. In terms of the use made of the mark, and despite the applicant's submission to the contrary, I consider that the evidence paints a clear picture of a well-known brand due to its turnover, market share and consistent use. I regard it as a highly distinctive trade mark in respect of cigarettes.

Likelihood of confusion

44. 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. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/goods down to the

responsible undertakings being the same or related). In terms of indirect confusion, this was dealt with 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).”

45. The opponent's main argument appears to be based upon the possibility of aural confusion when the goods are asked for. With RICH MAN being served up to the customer instead of RICHMOND (or vice versa). However, despite what I have held to be a reasonable degree of aural similarity, I consider that the probability of the sales assistant mishearing RICH MAN for RICHMOND to be fairly slim and, thus, it is unlikely that the sales assistant will retrieve the wrong product. However, even if I have underestimated the degree to which wrong retrieval would occur, the consumer will still be in a position to see what has been retrieved. This is when the visual impact of the marks come into play and in my view the stark differences I have outlined mean that the consumer will realise very quickly that the wrong brand has been retrieved and will ask for the correct one to be supplied instead. That stark difference, coupled with the conceptual difference that exists, means that, in my view, there is no likelihood of confusion, either direct or indirect.

46. I do not consider the opponent to be in any better position on the basis of its other earlier marks or goods. The degree of aural and conceptual similarity is the same. The visual differences are even greater. In terms of the goods, if the opponent cannot succeed in relation to cigarettes, it will be in no better position to oppose the other goods of the application.

Section 5(4)(a) – passing off

47. Under this ground the opponent relies on the use of the word RICHMOND in relation to cigarettes. It is difficult to see why the opponent would be in any better position here than it was under section 5(2)(b). There is nothing in any of the material provided by the opponent which presents a materially different case. The reference to the applicant being a manufacturer of cheap whites (which, for the record, I do not consider to have been established when all the evidence is borne in mind – including the applicant's plausible explanation as to why its director's name appeared in the report) does not make the potential for a misrepresentation any greater. Whilst bearing in mind that the legal test for misrepresentation is suitably different to that for confusion, I nevertheless reject this ground for similar reasons to that given above.

Section 5(3) of the Act

48. Section 5(3) of the Act reads:

“5-(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

49. The leading cases are the following CJEU judgments: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the later mark would cause an average consumer to bring the earlier mark to mind; *Addidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant

consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics

which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation

50. The earlier marks must have a reputation¹. In *General Motors* the CJEU stated:

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”

51. Given the comments I have already made in relation to the use of the earlier RICHMOND mark, I come to the clear view that a reputation exists in relation to cigarettes.

The required link

52. In addition to having a reputation, a link must be made between the subject trade mark and the earlier mark. In *Adidas-Salomon*, the CJEU stated:

“The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22, and *Marca Mode*, paragraph 40).”

¹ As the mark is an EUTM, the reputation must be in the EU – see *Pago*

53. In *Intel* the CJEU provided further guidance on the factors to consider when assessing whether a link has been established. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...

42 Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public”.

54. Most of these factors have already been assessed under section 5(2)(b). There is no reason why the assessment of those factors should be any different under section 5(3). This is another multi-factorial assessment. I come to the view that a member of the relevant public encountering the applicant’s mark would not bring the earlier RICHMOND mark to mind. The visual and conceptual differences are strong. Even though there is a reasonable degree of aural similarity, this is not sufficient, even bearing in mind that the goods are identical and that the earlier mark has what I consider to be a strong reputation. The ground is dismissed.

Conclusion

55. The opposition fails and, subject to appeal, the applicant’s mark may proceed to registration.

Costs

56. The applicant has been successful and is entitled to a contribution towards its costs. My assessment is as follows:

Considering the statement of case and preparing the counterstatement – £400

Filing and considering evidence (including providing submissions) – £800

Total – £1200

57. I order Imperial Tobacco Limited to pay Tobacco Universal Ltd the sum of £1200 within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 2nd day of March 2017

A handwritten signature in black ink, appearing to be 'O. Morris', written in a cursive style.

Oliver Morris

For the Registrar,

The Comptroller-General