

IN THE MATTER OF AN APPLICATION TO PROTECT INTERNATIONAL
REGISTRATION NO. 832179 IN THE NAME OF QUELLE
AKTIENGESELLSCHAFT

AND IN THE MATTER OF OPPOSITION NO. 71182 THERETO BY REPUBLIC
TECHNOLOGIES (NA) LLC

DECISION

Introduction

1. On 12 June 2003 Quelle AG applied to protect International Registration No. 832179 in the United Kingdom. The trade mark is as follows:



2. The application covers goods in Classes 4, 7, 8, 13, 14, 15, 16, 20, 21, 24, 28 and 34. The Class 34 specification is as follows:

Tobacco, smoking articles, namely tobacco pouches, cigar and cigarette holders, cigar and cigarette cases, ashtrays, all the above goods not made from precious metals, their alloys or being plated therewith, pipe stands, pipe cleaners, cigar trimmers, pipes, lighters, pocket devices for rolling cigarettes, cigarette papers, filters and sleeves, matches.

3. The application in Class 34 was opposed by Republic Technologies (NA) LLC on grounds raised under sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994. In support of its opposition the opponent relied upon its earlier Community Trade Mark No. 2037000 which consists of the following mark registered in respect of “tobacco; smokers’ articles not of precious metal including cigarette papers in books or tubes, machines for rolling cigarettes, machines for filling tubes, filter tips”:

The image shows the word "TOP" in a large, bold, black, serif font. The letters are thick and have a slightly distressed or textured appearance. The 'T' is on the left, the 'O' is in the middle, and the 'P' is on the right. The 'O' has a white circular cutout in the center.

4. Only the opponent filed evidence. Neither party requested a hearing. Mike Foley acting for the Registrar dismissed the opposition in a written decision dated 2 February 2007 (O/040/07). The opponent now appeals. On the appeal the opponent accepted that the section 5(4)(a) ground of opposition added nothing to the section 5(2)(b) ground. I can therefore concentrate on the latter.

Section 5(2)(b) of the Trade Marks Act 1994

5. Section 5(2)(b) of the 1994 Act provides as follows:

(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 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

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- 6. This provision implements Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks.

The hearing officer's decision

- 7. In relation to section 5(2)(b) the hearing officer directed himself in accordance with the Registrar's standard summary of the guidance provided by the Court of Justice of the European Communities in Case C-251/95 *SABEL BV v Puma AG* [1997] ECR I-6191, Case C-39/97 *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc* [1998] ECR I-5507, Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECR I-3819 and Case C-425/98 *Marca Mode CV v Adidas AG* [2000] ECR I-4881.

- 8. The hearing officer's assessment of the distinctive character of the opponent's mark was as follows:

- 16. ... the applicants assert that the word TOP is a laudatory term for which no person should be granted a monopoly, and that both of the subject trade marks are only registrable because of their stylisation. In his submissions Mr Pennant quite correctly drew my attention to Section 72 of the Trade Marks Act stating that the opponents' earlier rights should be presumed, prima facie, to be evidence of its validity....

...

- 18. TOP is an ordinary word with a meaning that in all probability will be known to any person with knowledge of the English language. Whilst it can denote the highest or uppermost part of something, or specific items such as a type of spinning toy or an article of clothing, it is also commonly used to describe, amongst other things, tangibles and

intangibles that are the ‘best’, be it in terms of sales, quality of manufacture, performance, value or whatever. There may be goods or services where this reference will not be apt for such use but I struggle to come up with an instance.

19. In its guidance the Registry Work Manual cites the words TOP VALUE as an example of a mark that is excluded from registration by Section 3(1)(c) of the Act because it consists exclusively of a sign which may serve, in trade, to designate value for money – ‘This is a top value product’. I accept that for the word TOP to be wholly meaningful it has to be used with another word that defines in what way the product or service excels, as in the example quoted, but as was stated in the appeal to the Appointed Person in the *Where all your favourites come together* case (BL 0/573/01), it is important to take account of distinctions between a trade mark and a description of the goods arising from the omission of words or components that would be necessary for the sign to work as a description. To me it is quite clear that the word TOP solus is capable of functioning as a stand-alone statement of pre-eminence and consists exclusively of a sign or an indication that may serve, in trade, to designate a characteristic of the goods for which registration is sought. It is capable of being used by other economic operators to describe a characteristic of their goods, and whilst it may have other meanings besides the laudatory, that one of the meanings of the mark designates a characteristic of the goods renders it devoid of distinctive character. (C-191/01 P *Doublemint*).

...

22. The stylization of the lettering in the opponents’ mark has some impact on its appearance, but this is minimal and to my mind adds nothing of significance; it is a TOP mark...

...

24. The word TOP is an ordinary English word that I have already said is capable of serving as a laudatory statement that describes some aspect of the goods at issue. This is how I believe the public would perceive a trade mark consisting of this word, be it on its own or in conjunction with some other descriptive term. Consequently it must be regarded as having a low level of distinctiveness. Where a trade mark is comprised of ordinary words that have a descriptive relevance for the goods for which it is used, another mark can have a higher degree of convergence (visual, aural, conceptual) before there will be a finding that they are similar; the more direct the description, the closer the marks can be. As Millett L.J. stated in *The European Ltd v The Economist Newspaper Ltd* [1998] ETMR 307 at page 314:

‘Where descriptive words are included in a registered trade mark, the courts have always (and rightly) been exceedingly wary of granting a monopoly in their use.’

25. The opponents have not provided any evidence that they have used their earlier mark, let alone that they have used it to an extent that it has gained any enhancement to its distinctive character by virtue of its exposure in trade. For the same reason I cannot take them to have built any reputation in the mark.
9. The hearing officer's assessment of the distinctive character of the applicant's mark was as follows:
16. As I have said, if only by virtue of the fact that TOP is likely to be taken as the first element seen and enunciated, it is the most prominent element of the applicants' mark....
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20. The word HOME in the applicants' mark is also capable of being an indication of a characteristic of goods such as furniture and curtains that are often referred to as 'home furnishings'. In respect of such goods the words TOP and HOME will have little or no distinctive character, be it individually or in combination, and it is the "surplus" created by the stylization that carries the mark to distinctiveness. However, in respect of the goods covered by Class 34 of the application which are the focus of the opponents' objection, the word HOME has no relevance that I am aware of, and as a whole the mark TOP HOME is meaningless.
22. ... As I have said, when viewing the applicants' mark the natural inclination of the eye is to go to the word placed in the horizontal, for this is the usual way in which words are written. That TOP is represented in a slightly larger font than HOME adds to its visual significance, but the unusual manner in which the two words converge on the letter 'O' has a significant impact on the eye....
10. With regard to the comparison between the respective trade marks, the hearing officer's analysis was as follows:
15. The opponents rely on an earlier Community Trade Mark registration for the word TOP. The applicants' mark consists of the words TOP HOME. It is self-evident that these marks are not identical, but also that they have the word 'TOP' in common, and if only to that extent there must be a degree of similarity in appearance and sound. The applicants' mark has the two words elided in the form of a cross. When viewing this mark the consumer's first point of reference will be the word on the horizontal plane, and then the one running vertically, in other words, as TOP HOME, which means that the similarity between the marks exists in the first, and arguably by its positioning, the most dominant element of the applicants' mark. Apart from the word TOP the respective marks have no other features in common, and on a

comparison absent of any other factors, the word elements TOP and TOP HOME are clearly not similar in look or sound.

22. ... As I have already said, when considered in relation to the goods in Class 34, and absent any other factors such as stylization, the words TOP and TOP HOME are visually, aurally and conceptually dissimilar; the stylization only serves to add to the visual, and to a lesser extent, conceptual differences.

23. Taking all of these factors into account and comparing the marks as a whole, it is clear to me that the respective marks are not similar in appearance, sound or in the idea or message that they convey.

...

31. In his submissions Mr Pennant referred me to *Medion AG v Thomson* case C-120/04. Whilst I acknowledge the guidance provided, I do not consider that the facts of this case to be the same. The applicants' mark is not a juxtaposition of a company name, it is a combination of two ordinary English descriptive words, one of which happens to be the same word that forms part of the opponents' mark. The applicants' mark does not incorporate the opponents' mark in its entirety; the stylized form in which the opponents' word stands has not been adopted, far from it. As I have already said, the word element of the opponents' mark is laudatory, and whilst I do not dispute that it is a valid earlier mark, there is some question as to whether its distinctiveness resides in the stylized combination; I do not consider that it can reside in the word alone. The element from the opponents' mark that has been incorporated into the applicants' mark does not retain an independent distinctive role; it is part of a composite whole. I accept that a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods (*Canon*), but this does not extend to mean that marks that are dissimilar can become similar by there being a complete identity in the goods; the starting point is that the marks must be similar. In this case they are not so.

11. As to the respective goods, the hearing officer concluded that all of the goods covered by the application were identical to goods covered by the opponent's registration.

12. With regard to the average consumer and the degree of care that would be exercised, the hearing officer's findings were as follows:

27. Neither the opponents' nor the applicants' specifications contain any qualification or restriction that would serve to move them into separate markets. Both notionally contain goods from the simple to the

sophisticated, cheap to the expensive, and go into the same area of trade. I must therefore proceed on the basis that the respective goods are capable of ranging from the type purchased by the public at large with minimal care and attention, to those used by the discerning and knowledgeable who will make a deliberate and informed purchase.

28. The circumstances in which the relevant goods and trade marks are encountered by the consumer, particularly at the point at which the purchase is made is an important consideration, but the matter must be assessed by applying all relevant factors. I have no evidence as to how the trade classifies tobacco products and other articles used by smokers, or whether it would be usual for a manufacturer of tobacco products to also be involved in a trade in smokers' articles. It is clear that some articles used by smokers, such as cigarette holders, cigarette rolling machines and cigar cutters are items which complement the use of tobacco and tobacco products. Notionally, the channels of trade, the means by which they reach the point of sale, retail circumstances and the 'relevant' consumers of the respective goods are also the same.
29. Because of age restrictions on the purchase of tobacco products such goods are, in most retail circumstances, displayed side by side behind a counter, and obtained on request from a sales assistant. Whilst this gives the aural similarity of marks a greater significance, the visual appearance is also relevant when it comes to selecting the item from the display. It is of course possible to obtain cigarettes by self-selection, in particular from vending machines where the visual similarity of marks will be of sole importance. I do not discount the fact that where imperfect recollection comes into play, the conceptual similarity of marks will be an influence regardless of how or where they are purchased.
30. The remaining non-tobacco goods covered by the opponents' specification, and some products such as tobacco pouches, pipe-stands, holders, pipes and cigar trimmers contained within the application are closely related to tobacco. I have no personal knowledge of the trade in cigarette papers, filters and cigarette rolling machines other than to say that I have never encountered them on the shelves of general retailers and can only assume that if such goods are available for sale they are with the tobacco products. They may be on display for self-selection in specialist retailers such as tobacconists; I do not know and there is no evidence to assist me. This being the case I must assume that they are capable of being obtained by self-selection and also on request, and that all factors that contribute in the assessment of the similarity of marks carry equal weight. Where stocked, the remaining non-tobacco goods contained within the applicants' specification, namely "ashtrays, cigar and cigarette cases, pipe-cleaners, lighters and matches" may be displayed by product type on shelves for self-selection, or behind a counter for purchase by enquiry.

13. The hearing officer's overall conclusion was as follows:

32. Taking all of the factors into account and adopting the ‘global’ approach required by *Sabel*, I have no doubt in my mind that even allowing for the identity/similarity in the respective goods and corresponding trade circumstances, the differences in the marks are such that the public familiar with the opponents’ mark, on seeing the applicants’ mark being used in relation to the same or similar goods, will not be led into believing that they come from the undertaking that they already know, or one that is in some way linked. There is no likelihood of confusion and the ground under Section 5(2)(b) fails.

Standard of review

14. This appeal is a review of the hearing officer’s decision. The opponent’s attorney accepted that the hearing officer’s decision involved a multi-factorial assessment of the kind to which the approach set out by Robert Walker LJ in *REEF TM* [2002] EWCA Civ 763, [2003] RPC 5 at [28] applies:

In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.

A decision does not contain an error of principle merely because it could have been better expressed.

Grounds of appeal

15. The opponent contends that the hearing officer erred in principle in three respects. First, he erred in his assessment of the distinctive character of the opponent’s mark because he failed to take into account evidence adduced by the opponent to the effect that there was no third party use of trade marks for class 34 goods which consisted of or contained the word TOP. Secondly, he treated the question of similarity of marks as a yes/no binary question, whereas the correct approach is to treat it as one of degree. Thirdly, he failed to apply the interdependency principle established by the jurisprudence of the European Court of Justice.

The distinctive character of the opponent's mark

16. The hearing officer's assessment was that the opponent's mark had a low level of distinctiveness. The opponent argues that he should have assessed it as having a higher level of distinctiveness because the evidence showed that there were no third party TOP marks for class 34 goods. I do not accept this argument. The hearing officer's assessment was based on the fact that TOP is descriptive, not upon whether it was common in the trade. That assessment is positively supported by the opponent's own evidence, which contains a number of instances of TOP being used descriptively in relation to class 34 goods, for example "Cigarettes – Top Quality", "Massive Savings on top brands", "Top name brand cigarettes and tobacco are available direct from the warehouse for immediate dispatch" and "Top Sellers: EU Make Cigarettes".
17. I would add that, as the opponent accepts, the hearing officer correctly proceeded on the basis that the opponent's mark is presumed to be validly registered and therefore must be assumed to possess or have acquired at least the minimum degree of distinctiveness required to justify registration in the absence of any attack on the validity of the registration. I consider that I was mistaken to hold to the contrary in *Oska's Ltd's Trade Mark Application* [2005] RPC 20 at [39].
18. I would also add that in my view the applicant was correct to argue that the distinctive character of the opponent's trade mark resides primarily in the stylisation or device element.

Similarity of marks

19. The opponent argues that the hearing officer fell into the same error as did the hearing officer in *Hyundai Mobis Co Ltd's Trade Mark Application* (O/020/07). In support of this argument the opponent relies in particular on the hearing officer's statements in paragraphs 22, 23 and 31 of his decision that the respective marks are not similar. As the opponent points out, those statements are contradicted by the hearing officer's acceptance in paragraph

15 that the word TOP is common to both marks and that to that extent there is a degree of similarity between them in appearance and sound.

20. At first blush this seems a strong argument. On further consideration, however, I have concluded that this is a case where the hearing officer's decision is badly expressed rather than a case where he has made an error of principle. I say this for two reasons. First, in paragraph 15 the hearing officer begins by acknowledging that the TOP element is common and goes on to say that "*Absent the word TOP* the respective marks have no other features in common [emphasis added]". I believe that when the hearing officer went on to say that the marks were not similar, he meant to say that they were not similar except for that common element. Secondly, it is clear from his decision, and in particular paragraph 32, that the hearing officer did not conclude that the dissimilarity between the marks was such as to enable him to short circuit the analysis of likelihood of confusion without considering the other factors.
21. Furthermore, even if the hearing officer did fall into error in this respect, I agree with his ultimate conclusion. As the hearing officer rightly appreciated, the key factor in the present case is that the word TOP has very little distinctive character for class 34 goods since it is descriptive and therefore the statement of principle which he quoted from the judgment of Millett LJ in *The European v The Economist* is applicable. Accordingly, even though the word TOP is common to both marks and even though the goods are identical, I consider that the differences between the marks, and in particular the addition of the word HOME in the opponent's mark and the visual differences, are such that there is no likelihood of confusion. Contrary to the opponent's argument, I do not consider that this analysis is inconsistent with the decision of the ECJ in Case C-235/05 *L'Oréal SA v OHIM* [2006] ECR I-57.

The interdependency principle

22. The opponent argues that, although the hearing officer purported to apply the interdependency principle, in reality he failed to do so since he looked at the various factors in isolation. I cannot accept this argument. On the contrary, I

consider that it is clear from paragraphs 31 and 32 of his decision that the hearing officer did correctly apply the interdependency principle.

Conclusion

23. The appeal is dismissed.

Costs

24. The hearing officer ordered the opponent to pay the applicant the sum of £850 as a contribution to its costs of the proceedings below. That order will stand. Since the applicant neither attended the hearing of the appeal nor made written submissions I shall not make any order with regard to the costs of the appeal.

3 September 2007

RICHARD ARNOLD QC

Jeremy Pennant of D. Young & Co appeared for the opponent.

The applicant did not appear.