

O-388-15

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO 3 060 397 IN THE NAME
OF VEYPE LIMITED TO REGISTER IN CLASSES 05 AND 34 THE TRADE MARK



AND OPPOSITION THERETO UNDER NO 402 881 BY NICOVENTURES
HOLDINGS LIMITED

Background and pleadings

1. Veype Limited (the applicant) applied to register the trade mark No 3 060 397



in the UK on 18 June 2014. It was accepted and published in the Trade Marks Journal on 18 July 2014 in respect of the following goods:

Class 05:

Cigarettes (Tobacco-free) for medical purposes

Class 34:

Electronic cigarettes

2. Nicoventures Holdings Limited (the opponent) opposes the trade mark on the basis of Section 5(2) (b) of the Trade Marks Act 1994 (the Act). This is on the basis of its earlier UK Trade Marks No 3 002 824 VYPE and No 3 003 413



. The following goods are relied upon in this opposition:

Class 05:

Tobacco free cigarettes....for medical use

Class 34:

Electronic cigarettes

3. The opponent argues that the respective goods are identical and that the marks are similar.
4. The applicant filed a counterstatement denying the claims made.
5. Both sides filed evidence. This has not been summarised (see further below) but has been perused and considered.
6. A Hearing took place on 7 July 2015, with the opponent represented by Rachel Wilkinson-Duffy of Baker & McKenzie LLP and the Director of Veype Limited, Mr Chris Steele appeared in person.

Evidence

7. The evidence from both sides outlines the history of VYPE and VEYPE. It describes how they have been used; how the respective products are sold and how they have been advertised. No summary will be provided as it is considered to not be directly relevant to the issues in hand here. However the content filed has been noted and will be referred to, if appropriate, during this decision.

DECISION

Preliminary Remarks

8. At the Hearing, Mr Steele argued that the applicant was using its mark prior to the launch of the opponent's products. In this regard, the applicant's attention is directed towards Tribunal Practice Notice 4/2009 "Trade mark opposition and invalidation proceedings – defences", particularly the following:

"The position with regard to defences based on use of the trade mark under attack which precedes the date of use or registration of the attacker's mark

4. The viability of such a defence was considered by Ms Anna Carboni, sitting as the appointed person, in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09. Ms Carboni rejected the defence as being wrong in law.

5. Users of the Intellectual Property Office are therefore reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker's mark, or having used the trade mark before the attacker used or registered its mark are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker's mark."

9. As such, the claim from the applicant must be set aside.

Section 5(2) (b)

10. Sections 5(2) (b) of the Act is as follows:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, or there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

Comparison of goods and services

11. The earlier goods are:

Class 05:

Tobacco free cigarettes....for medical use

Class 34:

Electronic cigarettes

12. The later goods are:

Class 05:

Cigarettes (Tobacco-free) for medical purposes

Class 34:

Electronic cigarettes

13. They are, self evidently, identical.

Comparison of marks

14. 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 Court of Justice of the European Union 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.”

15. 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.

16. In the interests of procedural economy, the comparison will be made on the basis of the earlier word only trade mark VYPE. The remaining earlier trade mark will be compared only if necessary.

17. The respective trade marks are shown below:

VYPE	
Earlier trade mark	Contested trade mark

18. On visual inspection, it is noted that the earlier mark consists solely of the verbal element VYPE. This is its sole dominant and distinctive element. In respect of the contested trade mark, it is the purple letter V that is more visually dominant. It is also distinctive. However, the element VEYPE is clearly visible within the sign, is also distinctive and cannot be considered to be negligible. It is considered therefore that the correct comparison to be made is between the trade marks as a whole.

19. Visually, the marks coincide in the letters VYPE which appear in each of the signs. They differ as regards the additional letter “E” and the stylised letter “V” which appear in the later mark. Nonetheless they are considered to be visually similar to at least a moderate degree.

20. Aurally, the applicant argued at the Hearing that its mark will be pronounced VAPE (rhyming with TAPE). However, it is considered that this is only one possible articulation. It may also be pronounced in a manner rhyming with PIPE. It is considered that the earlier trade mark can also be pronounced in this manner. It is considered therefore that the marks are potentially aurally identical. Even if the applicant is correct, the marks are still aurally similar, at least moderately so.

21. Conceptually, Mr Steele explained that the later mark was chosen as an allusion to vaping (the term used to describe the use of electronic cigarettes). However, it is considered that VEYPE meaning vaping would not be

immediately grasped. It is considered far more likely that each of the marks will be seen as invented terms and so any conceptual impact is neutral.

22. Bearing in mind all of the aforesaid, the marks are considered to be similar to at least a moderate degree.

Average consumer and the purchasing act

23. 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*.

24. 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.”

25. The relevant public in respect of these goods are those in the general public who smoke as the goods are alternatives to traditional cigarettes.
26. At the Hearing, Ms-Wilkinson-Duffy argued that goods of this nature are primarily sold online and so the visual comparison is likely to be important. Mr Steele asserted that the retail environment such as supermarkets and convenience stores and the like are also an important channel of trade. In such an environment and as with regular cigarettes, they are likely to be purchased from a specific section and/or counter and will primarily be requested orally. In this regard, it is accepted that electronic cigarettes will also be on display in an obvious manner (unlike traditional cigarettes which are in effect hidden) and so both visual and aural considerations are important. Further, they are likely to be purchased fairly frequently and though not the most expensive of products, they are not the cheapest either. It is considered therefore that a moderate degree of attention will be displayed during the purchasing process.
27. It is noted that at the Hearing Mr Steele asserted that the respective goods of each of the parties are not currently sold at the same establishments. This may be the reality currently, however due to the identical nature of these

goods, the matter must be considered from the perspective that there is clear potential for them to be sold in the same or similar environments.

Distinctive character of the earlier trade mark

28. 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).”

29. The opponent claims that its mark is in the process of developing a reputation. However, it has not claimed that its mark has acquired any enhanced distinctiveness. In any case, it has the look and feel of an invented word. As such, it is considered to be highly distinctive per se.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

30. The following principles are gleaned from the decisions 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.

The principles

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

31. The goods are identical and the marks are similar to at least a moderate degree. There is moderate visual similarity and notably, there is potential for them to be articulated in an identical manner. This is particularly important here as these goods can be requested orally. Even if they are not articulated in the same way, there remains at least a moderate degree of aural similarity. It is true that a moderate degree of attention will be displayed during the purchasing process which can weigh against a likelihood of confusion. It is also noted that Mr Steele argued that when considering the marks side by side on a display case, there is no way (in his view) that they would be confused. However, a consumer rarely has the opportunity to compare trade marks side by side and so instead relies on an imperfect recollection of them. Finally, the earlier trade mark is highly distinctive per se. Bearing in mind all of the aforesaid, it is considered that confusion between the two is highly likely.
32. The opposition therefore succeeds in its entirety.

Final Remarks

33. As this earlier trade mark leads to the opposition being successful in its entirety, there is no need to consider the remaining trade mark upon which the opposition is based.

COSTS

34. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £1300 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Opposition Fee - £100

Preparing a statement and considering the other side's statement: - £200

Preparing evidence and considering and commenting on the other side's -
£500

Preparing for and attending a hearing - £500

TOTAL: £1300

35. I therefore order Veype Limited to pay Nicoventures Holdings Limited the sum of £1300. The above sum should be paid within seven days of the expiry of

the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this day of 18TH August 2015

Louise White

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