

O/704/19

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. UK00003347315 BY
P.T. SUMATRA TOBACCO TRADING COMPANY
TO REGISTER THE FOLLOWING TRADE MARK:**

HOUSE OF SILK

IN CLASS 34

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 414947 BY
JT INTERNATIONAL S.A.**

BACKGROUND AND PLEADINGS

1. On 22 October 2018, P.T. Sumatra Tobacco Trading Company (“the applicant”) applied to register the trade mark **HOUSE OF SILK** in the UK. The application was published for opposition purposes on 2 November 2018. The applicant seeks registration for the following goods:

Class 34 Ashtrays (non metal), cigars, cigarettes, cigarette filters, cigarette papers, lighters, matches, smokers’ articles, tobacco.

2. The application is opposed by JT International S.A. (“the opponent”) based upon sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). The opponent relies on the following trade marks under both grounds of opposition:

SILK CUT

UK registration no. 1531939

Filing date 6 April 1993; registration date 9 December 1994

Relying on all goods for which the mark is registered, namely:

Class 34 Tobacco; smoking substances; snuff; smokers articles; cigarette papers; cigarette tubes; matches; all included in Class 34 and all for sale in the United Kingdom and for export to the Republic of Ireland.

(“the First Earlier Mark”)

SILK

UK registration no. 1054837

Filing date 13 November 1975; registration date 13 November 1975

Relying on all goods for which the mark is registered, namely:

Class 34 Cigarettes all for sale in the United Kingdom and for export to the Republic of Ireland.

(“the Second Earlier Mark”)

3. The opponent claims that there is a likelihood of confusion because the marks are similar, and the goods are identical or similar. The opponent also claims that it has a

reputation for all of the goods relied upon and that use of the applicant's mark would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character and/or repute of the earlier marks.

4. The applicant filed a counterstatement denying the claims made and requesting that the opponent prove use of its earlier marks.

5. The applicant is represented by Marks & Clerk LLP and the opponent is represented by Kempner & Partners LLP. The opponent filed evidence in the form of the witness statement of Ronald Van Tuijl dated 3 May 2019. No evidence was filed by the applicant. No hearing was requested, but both parties filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE

6. Mr Van Tuijl's evidence was accompanied by 8 exhibits. Mr Van Tuijl is the Intellectual Property Director of the opponent. I have read Mr Van Tuijl's evidence in its entirety and have summarised only the most pertinent points below.

7. Mr Van Tuijl explains that the opponent is a subsidiary of Japan Tobacco Inc ("JT"). JT was established in 1985 and the opponent was established in 1999. The opponent manages JT's international global tobacco operations.¹

8. A business acquisition by JT in 2007 resulted in the acquisition of the SILK CUT brand.² The brand was launched by its former owner in 1964 in the UK.³ Mr Tuijl provides the following sales volumes for the UK for the period between 2013 and 2018:

2013	1,305 million sticks
2014	1,148 million sticks
2015	999 million sticks
2016	888 million sticks

¹ Witness statement of Ronald Van Tuijl, para. 6

² Witness statement of Ronald Van Tuijl, para. 7

³ Exhibit RVT3 and the witness statement of Ronald Van Tuijl, para. 12

2017	780 million sticks
2018	667 million sticks ⁴

9. Mr Van Tuijl states that global measurement and data analytics business, The Nielsen Company, has recorded the following market share figures for the SILK CUT brand in the UK:

2013	4%	2014	3.8%
2015	3.5%	2016	3.3%
2017	3%	2018	2.6% ⁵

10. A recommended retail price for a 20 pack of SILK CUT cigarettes in March 2017 was £10.25.⁶ Invoices addressed to UK customers dated between March 2010 and March 2019 show sales of over £1.3million.⁷

11. Mr Van Tuijl has provided the following examples of how the SILK CUT brand is used on products:⁸



12. Mr Van Tuijl confirms that the mark has been used on goods in this way between 2014 and 2017 and 2017 and 2018 respectively.⁹ Mr Van Tuijl has also provided examples of SILK CUT being referenced in trade articles between 2008 and 2016.¹⁰

⁴ Witness statement of Ronald Van Tuijl, para. 13

⁵ Witness statement of Ronald Van Tuijl, para. 14

⁶ Exhibit RVT4

⁷ Exhibit RVT5

⁸ Exhibit RVT7

⁹ Witness statement of Ronald Van Tuijl, para. 20

¹⁰ Exhibit RVT8

DECISION

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

“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.”

14. Section 5(3) of the Act states:

“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 a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

15. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, an international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date

of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks

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

16. The trade marks upon which the opponent relies qualify as earlier trade marks under the above provisions. As the opponent’s marks completed their registration process more than 5 years before the publication date of the application in issue in these proceedings, they are subject to proof of use pursuant to section 6A of the Act.

Proof of Use

17. The first issue is whether, or to what extent, the opponent has shown genuine use of the earlier marks. The relevant statutory provisions are as follows:

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

6A-(1) This section applies where –

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

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

(3) The use conditions are met if –

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

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

(4) For these purposes –

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

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

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

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

18. Section 100 of the Act is also relevant, which reads:

“100. 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.”

19. According to section 6(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for mark. The relevant period is, therefore, 3 November 2013 to 2 November 2018.

20. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the

characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

21. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real” because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark” is, therefore, not genuine use.

Form of the mark

22. Throughout the opponent’s evidence, the mark used is SILK CUT. Clearly, this is identical to the First Earlier Mark and will be use upon which the opponent can rely. There are also examples of the words SILK CUT used on packaging in a slightly stylised font. This stylisation does not alter the distinctive character of the mark and is use upon which the opponent may rely. There is no evidence of the opponent using the Second Earlier Mark as registered i.e. using the word SILK alone. I must, therefore,

determine whether use of the mark SILK CUT is also use of the mark SILK and/or whether SILK CUT is an acceptable variant use of the mark SILK.

23. In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union (“CJEU”) found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestle*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition of a sign of distinctive character

through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

24. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was), sitting as the Appointed Person, summarised the test under section 46(2) of the Act as follows:

"33. ...The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

25. Although this case was decided before the judgment of the CJEU in *Colloseum*, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

26. The distinctive character of the Second Earlier Mark lies in the word SILK. There are no other elements to contribute to the distinctive character of the mark. The difference between the Second Earlier Mark and the use of the mark shown in the opponent's evidence is the addition of the word CUT. Although an unusual combination of words which have a degree of ambiguity to their meaning, in combination the words form a unit. That is, SILK qualifies the word CUT. In my view, SILK is likely to be seen as a descriptor by reference to the qualities of the material silk (smooth, soft etc.). The meaning of CUT is obvious. Therefore, SILK CUT conveys the idea of a smooth or soft cut. Even if the combination of words lack a sufficiently clear meaning for them to constitute a 'unit' in the sense described in the case law, the impression that SILK qualifies CUT means that SILK alone does not retain an independent distinctive role in SILK CUT. In this context, the addition of the word CUT must alter the distinctive character of the mark SILK solus. I find that use of the mark SILK CUT cannot be considered use of the Second Earlier Mark and is not an acceptable variant use. Consequently, the opponent cannot rely upon the Second Earlier Mark for the purposes of this opposition.

Sufficient Use

27. I now turn to consider whether the opponent has shown sufficient use of the First Earlier Mark. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself¹¹.

28. The sales volumes provided by Mr Van Tuijl are in "million sticks". It is not clear to me what is meant by this and no explanation is provided. As the applicant points out, if "sticks" means cigarettes then this is not an accurate reflection of sales, as cigarettes will not be sold individually but, rather, in packs. Notwithstanding this, the invoices provided do show sales relating to packs of cigarettes. These are dated between 2010 and 2019 and show sales of over £1.3million. Taking the evidence as a whole into account, I am satisfied that the opponent has demonstrated genuine use of the First Earlier Mark during the relevant period.

¹¹ *New Yorker SHK Jeans GmbH & Co KG v OHIM*, T-415/09

Fair Specification

29. I must now consider whether, or the extent to which, the evidence shows use of the First Earlier Mark in relation to the goods relied upon.

30. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

31. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows:

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria’s Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme

Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

32. The opponent accepts that it has not shown use of the mark in relation to "snuff", "smokers articles", "cigarette papers", "cigarette tubes" and "matches". The evidence only shows use of the First Earlier Mark in relation to cigarettes. I recognise that these would be covered by the term "smoking substances" in the opponent's specification. However, this term would also cover a number of other goods, for which the opponent has not demonstrated use. I also recognise that cigarettes contain tobacco. However, this is not, in my view, sufficient to enable the opponent to rely upon "tobacco". Use of the finalised product does not demonstrate use of one of its components. In the circumstances, I consider a fair specification for the First Earlier Mark to be as follows:

Class 34 Cigarettes.

Section 5(2)(b)

33. 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.

(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 to mind the earlier mark, 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

34. In light of my findings above, the competing goods are as follows:

Opponent's goods	Applicant's goods
<u>Class 34</u> Cigarettes.	<u>Class 34</u> Ashtrays (non metal), cigars, cigarettes, cigarette filters, cigarette papers, lighters, matches, smokers' articles, tobacco.

35. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

36. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

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

37. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court (“GC”) stated that “complementary” means:

“... there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think the responsibility for those goods lies with the same undertaking.”

38. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted, as the Appointed Person, in *Sandra Amelia Mary Elliot v LRC Holdings Limited*, BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense – but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“... it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

39. “Cigarettes” appears identically in both the opponent’s specification and the applicant’s specification.

40. “Ashtrays (non metal)” and “smokers’ articles” in the applicant’s specification are all goods that will be used in combination with “cigarettes” in the opponent’s

specification. They are, in my view, complementary goods. I recognise that they differ in nature, but there will be overlap in trade channels and user. I consider the goods to be similar to a medium degree.

41. Smokers may buy ready-made cigarettes or, alternatively, may buy tobacco, cigarette papers and cigarette filters individually to enable them to prepare their own cigarettes. Consequently, I consider that there will be a degree of competition between “cigarettes” in the opponent’s specification and “cigarette filters”, “cigarette papers” and “tobacco” in the applicant’s specification. There will also be overlap in trade channels as businesses that sell cigarettes may also sell the applicant’s goods as an alternative product. There will be overlap in user. I consider the goods to be similar to at least a medium degree.

42. “Lighters” and “matches” in the applicant’s specification will overlap in user with “cigarettes” in the opponent’s specification. They do, however, differ in nature and method of use. Whilst I recognise that these goods may all be sold by supermarkets or general convenience stores, I consider that the average consumer would view them as being supplied by different businesses. I consider these goods to be dissimilar. However, if I am wrong in this finding, they will be similar to only a low degree.

43. “Cigars” in the applicant’s specification will be in competition with “cigarettes” in the opponent’s specification. Smokers may prefer to smoke one or the other or may alternate between them. I consider there to be overlap in user, purpose, nature and method of use. I consider the goods to be highly similar.

The average consumer and the nature of the purchasing act

44. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties’ goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. 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.”

45. The average consumer for the goods will be members of the general public who smoke. The goods in question are not particularly expensive. They are all likely to be purchased reasonably frequently. For some goods, such as cigars and cigarettes, various factors will be taken into account, such as the type or strength of the product. For those goods, a medium degree of attention will be paid during the purchasing process. For other goods, such as lighters and matches, a lower degree of attention is likely to be paid during the purchasing process.

46. In the UK, the purchasing process for the goods is controlled by various regulations. The goods must be hidden from view and the consumer must request them from the shop assistant. Therefore, aural considerations are of particular importance. I do not, however, discount that there will be visual considerations to the purchase, because once the consumer has requested a particular brand, he is likely to have sight of the packaging at the point of purchase.

Comparison of trade marks

47. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade 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.”

48. 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.

49. The respective trade marks are shown below:

Opponent's trade mark	Applicant's trade mark
SILK CUT	HOUSE OF SILK

50. The opponent's mark consists of the words SILK CUT. The overall impression lies in the combination of these elements as a unit, with neither word dominating. The applicant's mark consists of the words HOUSE OF SILK. The overall impression lies in the combination of these elements as a unit.

51. Visually, the marks overlap in that they both contain the word SILK. However, in the opponent's mark it is followed by the word CUT and in the applicant's mark it is preceded by the words HOUSE OF. I consider the marks to be visually similar to a low degree.

52. Aurally, again, the marks will overlap in the pronunciation of the word SILK, which will be identical for both marks. However, the pronunciation of the word CUT in the opponent's mark and the words HOUSE OF in the applicant's mark will be points of aural difference. I consider the marks to be aurally similar to a low degree.

53. Conceptually, the word SILK in the opponent's mark will be viewed as qualifying the word CUT i.e. it is describing a particular cut that has similar qualities to the material silk (smooth, soft etc.). The word SILK in the applicant's mark will also be seen as a reference to the material silk and the use of the words HOUSE OF will be viewed as a reference to a business which specialises in 'silk' goods. In the context of the goods for which the marks are registered/applied for, this is not likely to be taken literally, i.e. as a house made of silk. Although both marks clearly refer to SILK, their meanings when taken as a whole are quite different. In my view, there is no more than a low degree of conceptual similarity between the marks.

Distinctive character of the earlier trade mark

54. 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-2779, 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).”

55. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words with no allusive qualities. A mark's distinctive character may be enhanced by virtue of the use made of it.

56. I must consider the inherent distinctiveness of the First Earlier Mark as a whole. The word SILK qualifies the word CUT and has connotations of smoothness. However, the combination of the words is unusual in the context of the goods. I consider that the First Earlier Mark to be inherently distinctive to a medium degree.

57. The sales demonstrated in the opponent's evidence, through the invoices provided, cannot be said to be insignificant. Mr Van Tuijl has confirmed the market share for the SILK CUT brand to be 4% in 2013, 3.8% in 2014, 3.5% in 2015, 3.3% in 2016, 3% in 2017 and 2.6% in 2018. Whilst these market shares are not overwhelming, they must, in my mind, carry with them a degree of enhanced distinctiveness. I recognise that they decrease year on year, which may very well be a reflection of the SILK CUT brand's decreasing dominance in the market. However, consistent market shares of these amounts over a number of years do suggest that there will be an increased awareness of the brand in the marketplace as a result of the use made of it. I am satisfied that the distinctiveness of the First Earlier Mark has been enhanced to a higher than medium degree through use.

Likelihood of confusion

58. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be

offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the First Earlier Mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

59. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 direct and indirect confusion were described in the following terms by Iain Purvis Q.C., sitting as the Appointed Person:

“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.”

60. I have found the marks to be aurally, visually and conceptually similar to a low degree. I have found the average consumer to be a member of the smoking general public, who will select the goods primarily by aural means (although I do not discount a visual component). I have concluded that between a low and medium degree of attention will be paid during the purchasing process, depending on the particular goods. I have concluded that the First Earlier Mark is inherently distinctive to a medium degree, which has been enhanced to a higher than medium degree through use. I have found the goods to range from identical to similar to a low degree.

61. Taking all of the above factors into consideration, particularly the aural, visual and conceptual differences between the marks, I do not consider that the average consumer will mistakenly recall or misremember one for the other. I consider that the differences between the marks are sufficient to offset the low degree of attention paid during the purchasing process for some of the goods. I do not consider there to be a likelihood of direct confusion.

62. Having recognised the differences between the marks, I do not consider that the average consumer will conclude that they originate from the same or economically linked undertakings. The different positioning of the word SILK within the marks and the fact that it forms part of a unit (or plays a qualifying role) within each of the marks will mean that neither appear as a logical brand extension or variant. The word SILK in the opponent's mark does not have a distinctive significance that is independent of the whole.¹² I note in its written submissions in lieu, the opponent has made reference to the fact that the average consumer will view the applicant's HOUSE OF SILK mark as part of the opponent's family of marks. However, in *Il Ponte Finanziaria SpA v OHIM*, Case C-234/06, the CJEU stated:

“62. Whilst it is true that, in the case of opposition to an application for registration of a Community trade mark based on the existence of only one earlier trade mark that is not yet subject to an obligation to use, the assessment of the likelihood of confusion is to be carried by comparing the two marks as they were registered, the same does not apply where the opposition is based on the existence of several trade marks possessing common characteristics which make it possible for them to be regarded as part of a ‘family’ or ‘series’ of marks.

63. The risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see *Alcon v OHIM*, paragraph 55, and, to that effect, *Canon*, paragraph 29). Where there is a ‘family’ or ‘series’ of trade

¹² *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch)

marks, the likelihood of confusion results more specifically from the possibility that the consumer may be mistaken as to the provenance or origin of goods or services covered by the trade mark applied for or considers erroneously that that trade mark is part of that family or series of marks.

64. As the Advocate General stated at paragraph 101 of her Opinion, no consumer can be expected, in the absence of use of a sufficient number of trade marks capable of constituting a family or a series, to detect a common element in such a family or series and/or to associate with that family or series another trade mark containing the same common element. Accordingly, in order for there to be a likelihood that the public may be mistaken as to whether the trade mark applied for belongs to a 'family' or 'series', the earlier trade marks which are part of that 'family' or 'series' must be present on the market."

63. The opponent has only shown that the First Earlier Mark was on the market at the relevant date. There does not appear to be a 'family' of SILK marks. In any event, for the avoidance of doubt, I have seen no evidence to suggest that the public would expect any mark containing the word SILK to originate from the opponent. Taking all of these factors into account, I do not consider there to be a likelihood of indirect confusion.

64. The opposition under section 5(2)(b) is unsuccessful.

Section 5(3)

65. I now turn to the opposition based upon section 5(3) of the Act. I bear in mind the relevant case law which can be found in the judgments of the CJEU in Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the later mark. Thirdly,

assuming that the first and second conditions have been met, section 5(3) requires that one or more of the three types of damage claimed by the opponent will occur. It is unnecessary for the purposes of section 5(3) that the goods and services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between them.

Reputation

66. In *General Motors*, Case C-375/97, the CJEU stated:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. 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.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout the territory of the Member State. It is sufficient for it to exist in a substantial part of it.’”

67. In determining whether the opponent has demonstrated a reputation for the goods in issue, it is necessary for me to consider whether the earlier marks will be known by a significant part of the public concerned with the goods. In reaching this decision, I must take all of the relevant factors into account including “the market share held by

the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it”.

68. As noted above, the market share figures provided by the opponent, does not indicate a dominance in the market. However, for the same reasons set out above, the evidence as a whole is sufficient, in my view, to demonstrate a moderate reputation in respect of cigarettes.

Link

69. As I noted above, my assessment of whether the public will make the required mental ‘link’ between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

For the reasons set out earlier, I consider the marks to be aurally, visually and conceptually similar to a low degree.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

The goods for which the opponent has demonstrated a reputation vary from being similar to a low degree to identical to the applicant’s goods.

The strength of the earlier mark’s reputation

The First Earlier Mark has a moderate reputation.

The degree of the earlier mark’s distinctive character, whether inherent or acquired through use

I have found the First Earlier Mark to have a medium degree of inherent distinctive character, which has been enhanced to a higher than medium degree through use.

Whether there is a likelihood of confusion

I have found there to be no likelihood of confusion.

70. I recognise that a lesser degree of similarity between the marks than that required for a likelihood of confusion may be sufficient for a relevant section of the public to make a connection between those marks.¹³ That is, to make a link between them. However, taking into account the opponent's only moderate reputation and the differences between the marks, I do not consider that the relevant public will make the requisite link. For those consumers who are familiar with the opponent's reputation, they will be familiar with the word SILK being used as part of SILK CUT. When used as part of the unit HOUSE OF SILK, I do not consider that a link will be made between the two. If any link is made, it would be too fleeting for the image of the First Earlier Mark to transfer to the later mark in such a way as to give it an unfair advantage.

71. The opposition under section 5(3) is unsuccessful.

CONCLUSION

72. The opposition is unsuccessful in its entirety and the application may proceed to registration.

COSTS

73. As the applicant has been successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of **£950** as a contribution towards the costs of the proceedings. The sum is calculated as follows:

¹³ *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P

Preparing a counterstatement and considering the notice of opposition	£300
Considering the opponent's evidence and preparing written submission in lieu	£650
Total	£950

74. I therefore order JT International S.A. to pay P.T. Sumatra Tobacco Trading Company the sum of £950. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 21st day of November 2019

S WILSON
For the Registrar