

O-511-16

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION NO. 3085823

IN THE NAME OF CCHG LTD

IN RESPECT OF THE TRADE MARK:



AND

AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO

UNDER NO 500911 BY VAPOURIZ LTD

Background and pleadings

1. The trade mark shown on the cover page of this decision is registered under no. 3085823. It stands registered in the name of CCHG Ltd (“the proprietor”). It was applied for on 12 December 2014 and entered in the register on 13 March 2015. It is registered for the following goods in class 34:

Smokeless cigarette vaporizer pipes.

2. On 30 June 2015, Vapouriz Ltd (“the applicant”) filed an application to have this trade mark declared invalid under the provisions of section 47(2)(a) and sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). As the objection based upon section 5(3) was subsequently deemed withdrawn, I need say no more about it. The relevant provisions read as follows:

“47(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b)...

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless—

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if—

(a) within the period of five years ending with the date of the application for the declaration 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) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes—

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

(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.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

2E) 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.

.....

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

And:

“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.”

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, 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.”

3. The applicant directs its application against all of the goods in the proprietor's registration. It relies upon all the goods i.e. "electronic cigarettes" in the following United Kingdom trade mark registration:

No. 2605137 for the trade mark shown below which was applied for on 20 December 2011 and entered in the register on 30 March 2012:



The applicant states, inter alia:

"Vapouriz as a brand has been trading since June 2011..."

We have had a number of complaints from wholesalers who bought from the other company thinking it was our brand. Vapouriz is the 6th biggest e cigarette company in the UK (source Nielsen Data Dec 2014) and this other company trading under an almost identical name is causing a significant detriment to our business. In addition, "Vaporized" has also opened up a large number of retail stores (like ours) which again customers are getting very confused about. If you speak the words "Vapouriz" and "Vaporized" they sound almost identical..."

4. The trade mark shown above qualifies as an earlier trade mark under the above provisions. As the applicant's earlier trade mark had not been registered for more than five years when the application for invalidation was filed, it is not subject to proof of use, as per section 47(2)(2A) of the Act. As a consequence, the applicant is entitled to rely upon all of the goods it claims.

5. The proprietor filed a counterstatement in which the basis of the application is denied. It states, inter alia:

“Both marks have to be stylised to render them acceptable as trade marks, as the words Vapour and Vapourise are descriptive in relation to e-cigarettes and vapourising devices. This is an important point, as it means that there are many companies in the field using these words, either as part of their trade marks, or in a descriptive sense. There are also many trade mark registrations and applications in the UK in class 34 which contain these words and derivatives thereof...The consumer is accustomed to seeing marks used in this field with these words contained therein.”

6. Both parties filed evidence. Although neither party asked to be heard, both filed written submissions in lieu of attendance at a hearing (a point to which I will return when I consider costs). I will keep all of these written submissions in mind and refer to them, as necessary, below.

Evidence

The proprietor's evidence

7. This consists of a witness statement from Paul Motion, a solicitor at bto solicitors (“bto”), the proprietor's professional representatives. Mr Motion states:

“2...I have also produced with this witness statement a large number of screenshots, and a list of those screenshots, all of which was provided to me on 23rd March 2016 by the registered proprietor.

3. I would refer, in particular, to the [proprietor's counterstatement] which asserts that the words “Vapour” and “Vaporised” are descriptive in relation to e-cigarettes and vapourising devices. [The counterstatement] also states that there are many companies in this field using these words, either as part of their trade marks or in a descriptive sense. It is said that the customer is

accustomed to seeing marks used in this field with these words contained therein.”

8. Pages 5 to 7 consist of definitions of the word “vaporise” (meaning, inter alia, “cause to change into a vapour”) obtained from www.thefreedictionary.com and “vapourize” (defined as “Canadian spelling of vaporize”) obtained from wiktionary.org. Attached as pages 12 to 44 are the home pages of the following undertakings:

“CHEFS VAPOUR”, “Crystal Clear Vapours”, “Dr VAPOR”, “E-VAPOR”, “Emporium Vapour”, “FLAVOUR VAPOUR”, “FUNKY VAPOUR”, GO VAPOUR”, “I (heart device) vapour”, “Inno vapours”, “MASS VAPOUR”, “OXFORD VAPOURS”, “PERSONAL VAPOUR”, “THE VAPOUR LOUNGE”, “the VAPOR room”, “The Vapour Trail”, “Totally Vapour”, “V vapour”, “VAPOUR ROOM”, “vapourcigco.com”, “Vapour Essence”, “Vapour Fresh”, “VAPOUR MONSTER”, “vapour station”, “VAPOURWAY”, “Vapourite UK”, “VAPOURIZED”, “VAPOURLICIOUS”, “Vapours”, “VIBRANT VAPOURS”, “White Mist VAPOURS” and “Zen Vapour”.

Mr Motion states:

“6. It appears to me, upon the basis of the above material, that there are many e-cigarette companies incorporating “vapour” into their name which are actively doing business in the UK.”

Mr Motion further states:

“7. I have also carried out Google searches in relation to the words “vapour”, “vapor” and “vaporised.”

9. At pages 45-62 of his statement are the results of these searches conducted on 24 March 2016; I note the last search is for the word “vapourised” and not “vaporised” as Mr Motion indicates. I have reviewed these searches (a number of which relate to undertakings already mentioned above) and although I do not intend to list them here, I will, of course, keep them in when in reaching a conclusion.

The applicant's evidence-in-reply

10. This consists of a witness statement from Brett Horth, the applicant's CEO. Mr Horth explains that the applicant is in the business of manufacturing eliquids which are sold under its own name and others; the applicant also sells electronic cigarettes, eliquids and associated products "directly and on-line to end consumers plus through trade channels and through our own retail shops and through franchised shops." According to Mr Horth, the proprietor's business is identical as is its mode of operation. Mr Horth adds:

"12. There have been many occasions where Industry Leaders, Trade Customers and Consumers have been confused by the two names "Vapouriz" and "Vaporized", often to the detriment of ourselves. Whilst these are numerous, I am specifically detailing two recent occurrences."

11. The first occasion mentioned by Mr Horth is a "Linked In" conversation between Mr Horth and Grant O'Connell which began on January 22. Mr O'Connell is the "Vice President Corporate and Regulatory Affairs" at Fontem Ventures and which Mr Horth describes as a "well respected Industry Leader." Although the year this conversation took place does not appear to be specified, the reference to Monday 23 (May) leads me to conclude that the exchange took place in 2016. The relevant part of the conversation took place on 17 May. The exchange is as follows:

Mr Horth: "Hi Grant. Hope all is well with you. Will you be attending the meeting on the 26th May? Be good to finally meet! Cheers Brett."

Mr O'Connell: "Hey Brett, hope you're doing fine. Thought the uk tv ad looked really good! Unfortunately not as I'll be in France, sorry to be missing it but will be at the next. I'll be in Edinburgh Monday 23rd lunchtime if you're about and fancy a coffee. Cheers G."

Mr Horth: "Hi Grant, I think you might be confusing us with Vaporized (Vape shops) – I think they did an advert recently. Also we're based in Guilford,

Surrey! If you're ever in the area let me know, but no doubt see you at the next meeting. Best, Brett."

Mr O'Connell: Sorry Brett, thought you were all one group – apologies! See you soon G."

Mr Horth states:

"Clearly, Mr O'Connell thought we were based in Edinburgh and thought a recent TV Ad was ours. This is a very serious confusion and demonstrates that the [proprietor's] trade mark cannot be recognised as significantly different to ours and is almost identical and this is causing confusion."

12. The second occasion took place on 3 June 2016. The e-mail exchange is as follows:

Mr Horth: "Dear Steve, Further to your phone call this afternoon, Vapouriz are not associated with Vaporized (which is owned by CCHG Ltd in Edinburgh). If you could reply with details of what happened to your son this morning I would be most grateful..."

In an e-mail headed "Re: Exploding battery from E Cigarette purchased from Vaporized in Inverness", **Mr Steve Mackintosh** wrote: "Brett, I apologise for contacting you initially but understand the confusion arose as both trade name (sic) from a customer's perspective are very similar! I have been in touch with an Alan Teader on 0131 333 3004 expressing my grave concerns and highlighting the very real potential for life changing injuries following the incident. They have stated that they are the largest provider of E-cigarettes in the UK and investigate such incidents in a professional and detailed way. We await the feedback. I've copied Craig into the Email as he was the unfortunate victim of the exploding unit..."

13. That concludes my summary of the evidence filed to the extent I consider it necessary; I will return to this evidence later in this decision.

Section 5(2)(b) – case law

14. 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 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

15. The proprietor's trade mark is registered in respect of "smokeless cigarette vaporizer pipes" whereas the applicant's trade mark is registered in respect of "electronic cigarettes". In its submissions, the proprietor states:

"The [proprietor] accepts that the goods are identical."

As the term "smokeless cigarette..." in the proprietor's specification and "electronic cigarettes" in the applicant's specification are, in my view, different ways of describing the same commercial product, I agree the competing goods are identical.

The average consumer and the nature of the purchasing process

16. 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 these goods are likely to be selected by the average consumer in the course of trade. 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.”

In its submissions, the proprietor states

“c) 3...it is relevant to point out that the vaping market in the UK is currently approximately 3 million adults...”

17. Although there is no evidence or submissions on this point, it is my understanding that when both the application for registration and the application for cancellation were filed, the sale and advertising of electronic cigarettes was unregulated. If my understanding is correct, the average consumer at that time was, in theory, any member of the general public. I am, however, also aware that the law relating to the sale and advertising of electronic cigarettes has recently changed with, as I understand it, inter alia, the age at which electronic cigarettes may be bought legally raised to 18. However, as the overwhelming majority of average consumers prior to the change in the law would, in my view, have been over the age of 18 in any case, any change in the law in this regard does not affect my findings.

18. As the evidence shows, the goods at issue may be selected from the pages of a website or catalogue as well as from traditional retail outlets on the high street. This suggests that visual considerations are likely to form a significant part of the selection process. That said, as the goods may also be the subject of word-of-mouth recommendations and requests to sales assistants in, for example, retail outlets on the high street, aural considerations will have a not insignificant part to play.

19. As to the degree of care the average consumer will display when selecting the goods at issue, the evidence shows that such goods are sold in a range of styles, strengths and flavours. Thus it appears to me that the average consumer is likely to pay a reasonably high degree of attention to the selection of the goods at issue,


Comparison of trade marks

20. 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 Court of Justice of the European Union (“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.”

21. It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore

contribute to the overall impressions they convey. The competing trade marks are as follows:

Applicant's trade mark	Proprietor's trade mark
	

22. The applicant's trade mark consists of a number of components. The first, is a black rectangular device which acts as a background upon which the other components are presented; it has no distinctive character. The second component is what the proprietor describes as a "flame/plume device". Presented as it is in green and appearing in the middle of and extending from the top to the bottom of the trade mark (including appearing as a dot in the letter "o" of the word which appears below it), this stylised device of a plume/flame (if indeed that is how it will be construed) will have a high relative weight in the overall impression the trade mark conveys. As to the component which appears at the bottom of the trade mark, I note the letter "i" has been presented as a device of a cigarette above which appears an ordinary device of a flame. In my view, the replacement of the letter "i" as a device of a cigarette is likely to go largely unnoticed by the average consumer (it certainly was by the proprietor) and given its size and affinity to the goods at issue, the ordinary device of a flame which appears above the letter "i" is likely to make a very limited (if any) contribution towards the overall impression the trade mark conveys. Rather, this component will, in my view, be understood by the average consumer as the word "Vapouriz" presented in title case in white/grey. Considered overall, the stylised device of a plume/flame and what will be understood by the average consumer as the word "Vapouriz" will, in my view, make a roughly equal contribution to the trade mark's distinctiveness and the overall impression it conveys.

23. The proprietor's trade mark also contains a number of components. In its submissions, the proprietor states:

"3...The most prominent word is the word VAPORIZED, however this is highly stylised, with the V being formed by the silhouettes of two e-cigarette devices, and being surrounded by a circular line. The D of the word is also highly stylised, to represent a plume of vapour...The other three words in the proprietor's mark cannot simply be ignored...The words "INHALE THE FREEDOM" have a distinctive character too, and form part of the impact on the consumer..."

In its submission, the applicant states:

"5...and in the case of the [proprietor's trade mark] additional words in smaller font and of a marketing nature..."

And:

"11. The addition of the slogan "INHALE THE FREEDOM" does not, it is submitted, alter the perception of the overall impression created by the mark. These words would not be particularly remembered by the average consumer, given the size of font in relation to the main word, the position in the mark and the nature of the words."

24. While I agree with the proprietor that it is a component which will be understood as the word "Vaporized" (presented in title case in green) which is the most prominent word in its trade mark, I do not agree that it is "highly stylised". Whilst I accept that on close inspection the letter "V" is formed from "the silhouettes of two e-cigarette devices", that was not the impression conveyed to me (at least until it was pointed out). Similarly, whilst I accept that it may have been the intention, I think it most unlikely that the average consumer will (if he notices it at all) interpret the vertical stroke of the letter "d" as a "plume of vapour." As to the circular device presented in a lighter shade of green which surrounds the letter "V", given its size and positioning it makes a visual impact, albeit, in my view, a non-distinctive impact

which is unlikely to make much (if any) contribution towards the overall impression the trade mark conveys. Finally, as for the words “INHALE THE FREEDOM” presented in the same colour green as the word “Vaporized”, while I am inclined to agree with the applicant that such words are more likely than not to be regarded by the average consumer as promotional in nature, that does not, of course, prevent them from having trade mark significance. However, even if the average consumer regards them as origin specific, given their size and positioning in the context of the trade mark as a whole, their contribution to the overall impression the trade mark conveys will be limited. While the overall impression the trade mark conveys will, in my view, be heavily weighted in favour of the word “Vaporized”, I accept that the words “INHALE THE FREEDOM” may make a contribution to the overall impression, albeit in my view, a much less significant contribution.

25. Both trade marks contain a word component consisting of eight and nine letters respectively. Both word components begin with the same four letters i.e. “V-a-p-o” and contain the same string of letters i.e. “r-i-z” albeit in the sixth to eighth letter positions in the applicant’s trade mark and the fifth to seventh letter positions in the proprietor’s trade mark. Both trade marks contain either an element presented in green (the applicant’s trade mark) or are wholly presented in green (the proprietor’s trade mark). They differ to the extent that the applicant’s trade mark has a letter “u” in the fifth letter position and the proprietor’s trade mark the letters “e-d” in the eighth and ninth letter positions. There are also other differences i.e. the plume/flame device in the applicant’s trade mark, the actual shade of green which appears in the competing trade marks and the words “INHALE THE FREEDOM” which appear in the proprietor’s trade mark. Balancing the similarities and differences, I consider there to be a low to medium degree of visual similarity between the trade marks at issue.

26. Turning to aural similarity, it is well established that when a trade mark consists of a combination of words and figurative elements, it is most likely to be referred to by the word elements. In my view, the applicant’s trade mark will be referred to by reference to the three syllable word Va-pour-iz(e), whereas the proprietor’s trade mark will be referred to in one of two ways i.e. as the three syllable word Va-por-ized alone or as a combination of this word and the five syllable phrase “IN-HALE THE

FREE-DOM". Given the dominance of the word "Vaporized, reference to the proprietor's trade mark by the word "Vaporized" alone is, in my view, a real possibility. If that is correct, the aural comparison is between two three syllable words which have identical first and second syllables and highly similar third syllables. In those circumstances, the competing trade marks are, in my view, aurally similar to a very high degree. However, even if I am wrong and the average consumer does refer to the proprietor's trade mark by all the word elements of which it is made up, as the word "Vaporized" would still be the first word spoken, the competing trade marks remain aurally similar to a fairly high degree.

27. Finally, the conceptual comparison. Both parties field of interest is the vaping market. As collinsdictionary.com explains, to "vape" is to "inhale nicotine vapour (from an electronic cigarette)." The word "Vaporized" in the proprietor's trade mark is a variant spelling and the past tense of the word "Vaporise" which, as its evidence shows, means to "cause to change into a vapour"; the word "Vapouriz" in the applicant's trade mark is a misspelling of the word "Vaporise". As "Vapouriz" and "Vaporized" refer to the act of changing something into a vapour or something that has been changed into a vapour respectively, the conceptual messages sent by the two words are similar to the highest degree. As all of the other components in the competing trade marks including the words "INHALE THE FREEDOM" reinforce the reference to either smoking in general or vaping in particular, they do nothing to change the conceptual messages conveyed by the words I have described above.

Distinctive character of the applicant's earlier trade mark

28. I must now assess the distinctive character of the applicant's trade mark. The distinctive character of a trade mark can be appraised only, first, by reference to the goods for which it is registered and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish

those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

29. The date at which the distinctive character of the applicant's earlier trade mark is to be assessed, is the date of filing of the proprietor's trade mark i.e. 12 December 2014. As I mentioned earlier, in its Application for Cancellation, the applicant stated:

“Vapouriz as a brand has been trading since June 2011...

...Vapouriz is the 6th biggest e cigarette company in the UK (source Nielsen Data Dec 2014)...”

30. Notwithstanding the above comments, the applicant has filed no evidence of the use it has made of its earlier trade mark. I have, as a consequence, only the inherent distinctiveness of its trade mark to consider. As I mentioned earlier, the overall impression of the applicant's trade mark will be dominated by the stylised device of a plume/flame and what will be understood by the average consumer as the word “Vapouriz”, each component making a roughly equal contribution. Earlier in this decision I commented upon the area of trade mark in which the parties are engaged and provided definitions of the words “vaporise” and “vape”. It is, as a consequence, not surprising that the proprietor was able to provide evidence (albeit from after the material date) which shows that there are numerous third party undertakings using brand names which include “VAPOUR”, “Vapours” and “VAPOR” as a component and in which the word “Vapourised” is used in a descriptive sense, for example, [www. itv.com/news](http://www.itv.com/news) dated 12 June 2013 (at page 60) in which the following appears:

“When the user sucks on the e-cigarette, liquid nicotine is vapourised and absorbed through the mouth. When they breathe out, a plume of what...”

31. In my view, the components which dominate the applicant's trade mark consist of a combination of the misspelling of a word meaning to “cause to change into a vapour”, which relates to a characteristic of the applicant's goods together with the device of a plume which relates to the emissions produced when using the applicant's goods. The plume device is, however, fairly stylised and has (at worst) a

low degree of inherent distinctive character. As to the word “Vapouriz”, although misspelt, given the obvious significance of the word “vaporise” in relation to the goods of interest, the word “Vapouriz” is, in my view, possessed of a low degree of inherent distinctive character. In the context of these proceedings, the latter finding is, of course, the most significant.

Likelihood of confusion

32. In determining whether there is a likelihood of confusion, 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 vice versa. As I mentioned above, it is also necessary for me to factor in the distinctive character of the applicant’s trade mark as the more distinctive this trade mark is the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and 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 he has retained in his mind. Earlier in this decision I concluded that:

- the competing goods are identical;
- the average consumer is a member of the adult general public who will select the goods at issue by a combination of both visual and aural means and who will pay a reasonably high degree of attention during that process;
- the overall impression conveyed by the applicant’s trade mark will be dominated by the device of a plume and the word “Vapouriz” each of which makes a roughly equal contribution;
- the overall impression conveyed by the proprietor’s trade mark will be heavily weighted in favour of the word “Vaporized” which appears within it;

- the competing trade marks are visually similar to a low to medium degree, aurally similar to (at least) a fairly high degree and conceptually similar to a high degree;
- the two components which dominate the overall impression the applicant's trade mark conveys are of low distinctive character as is the trade mark as a whole.

33. In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

"38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.'

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask 'in what does the distinctive character of the earlier mark lie?' Only after that has been done can a proper assessment of the likelihood of confusion be carried out".

In *L'Oréal SA v OHIM*, Case C-235/05 P, the CJEU found that:

"45. The applicant's approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character

of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.”

34. I begin by reminding myself that the identical goods at issue will be purchased with a reasonably high degree of attention (thus making the average consumer less prone to the effects of imperfect recollection) and that the component of the applicant’s trade mark which conflicts with the proprietor’s trade mark is of low distinctive character. However, as the *L’Oréal* case makes clear, the fact that the competing trade marks only coincide in relation to a component which has a weak distinctive character does not preclude a likelihood of confusion. In *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/9 the CJEU held that:

“In the light of the foregoing, the answer to the questions referred to the Court must be that it is possible that mere aural similarity between trade marks may create a likelihood of confusion within the meaning of Article 5(1)(b) of the Directive.”

35. Notwithstanding the only low to medium degree of visual similarity between the competing trade marks, the (at least) fairly high degree of aural similarity I have identified, in circumstances where aural considerations form a not insignificant part of the selection process, is sufficient to lead to a likelihood of confusion. In my view, and irrespective of whether the words “INHALE THE FREEDOM” in the proprietor’s trade mark are articulated, the competing trade marks are likely to be mistaken for

one another i.e. there will be direct confusion. That conclusion is sufficient for the application for cancellation to succeed.

36. In reaching the above conclusion, I have not overlooked the evidence of Mr Horth in relation to his Linked-In conversation with Mr O'Connell or his e-mail exchange with Mr Mackintosh. These are, however, only two examples and, as the proprietor states and the applicant accepts, both took place and relate to matters which took place after the material date.

Conclusion

37. The application has been successful and, subject to any successful appeal, the proprietor's trade mark will, under the provisions of section 47(6) of the Act, be deemed never to have been made.

Costs

38. As the applicant has been successful, my starting point is that it is, in the normal course of events, entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 4 of 2007. However, as both parties have made specific submissions on costs, it is necessary for me to begin by providing some background.

39. In an official letter dated 27 June 2016, the parties were advised that the evidence rounds were complete and in a further official letter of 28 June, the parties were allowed until 12 July to indicate if they wished to be heard or until 26 July to provide written submissions. In a letter dated 1 July, the proprietor sought leave to file a supplementary witness statement:

“...to present rebuttal evidence particularly in relation to the 3rd June matter and also to comment upon the UK's vaping market...”

This request was refused and the proprietor was allowed seven days to request a Case Management Conference (“CMC”) if it disagreed with this decision; no request

for a CMC was made. On 26 July, the proprietor filed written submissions. In those submissions, the proprietor stated:

“As regards costs, the proprietor requests that costs be awarded in its favour and **above** the usual scale. The [applicant] has made claims in its application which it has not substantiated. The [applicant] has also misused the procedure, by first of all stating that it had nothing further to submit (1 January 2016), and then, in June, in filing evidence purporting to be in reply, which consisted of submissions as well as fact, and evidence post-dating the material date. The filing of this evidence, so late in the day, has put the proprietor to further cost in its legal fees. The cancellation applicant should have made out its case in full at the outset, and substantiated the case.”

40. On 31 July 2016, CAM Trade Marks and IP Services (“CAM”) was appointed as the applicant’s representatives and on 1 August, CAM filed written submissions on the applicant’s behalf. In that letter CAM stated:

“We have been newly appointed...

We are writing this letter by way of Applicant’s final submission, and in response to the registered proprietor’s written submissions. We request that the tribunal take into consideration the following expression of the applicant’s case on the date of its receipt in light of the fact that the applicant has not had the benefit of professional representation before this time.”

And in relation to costs:

“Applicant requests that [the proprietor’s trade mark] be cancelled and costs be awarded in its favour, including off the scale costs for the absence of key correspondence from the defendant not being copied to the applicant during the process of prosecution of this cancellation action.”

CAM did not provide any details of the “key correspondence” to which it referred.

41. On 2 August, bto responded stating:

“Accordingly, we respectfully request that this new document...be excluded and the decision be taken on the basis of all papers before the tribunal on 26 July 2016. In case the Hearing Officer is minded to direct a CMC, we wish to object to this also, as it would be against the overriding objective of economy and time and procedure for an additional step to be introduced at this stage.

The proprietor also requests that, in view of this irregularity in procedure attempted by the applicant, any costs award which may be made in the proprietor’s favour, be above the usual scale.”

42. In an official letter to bto dated 4 August (copied to CAM), the tribunal stated:

“CAM Trade Marks and IP Service’s letter of 1 August and your response of 2 August 2016 refer.

Having considered your comments, it is the Tribunal’s preliminary view that although filed late, the applicant’s written submissions should be taken into account when the substantive issues in these proceedings are determined.

However, as the applicant’s submissions were filed after the deadline of 26 July had expired and are, to use their own words, inter alia, “in response to the registered proprietor’s written submissions”, **the proprietor is allowed a period of 14 days from the date of this letter to file any submissions in reply to those of the applicant it considers appropriate.** In line with the comments contained in the final paragraph of your letter, such submissions should include an indication of the additional costs the proprietor has incurred as a result of the applicant’s failure to adhere to the official deadline.

Any submissions should be copied to the applicant who, upon receipt of same is **allowed a further period of 14 days in which to comment upon the proprietor’s submissions, but only insofar as those submissions relate to the issue of costs.**”

43. The parties were allowed until 11 August to challenge the above preliminary view and on 8 August the proprietor requested a CMC. The CMC took place before me on 18 August. I communicated my decision to the parties in the following terms:

“At the CMC, Mr Cholij set out the factual background which led to the missing of the deadline. He accepted that his client was at fault and that if the applicant’s submissions were admitted into the proceedings, the proprietor was entitled to an award of costs in this regard. He stated that there was a “lot at stake” in these proceedings, pointing to, inter alia, related proceedings between the parties at the EUIPO. In response, you referred to, inter alia, what you considered to be inconsistencies in Mr Cholij’s factual background, to the manner in which the applicant had conducted the proceedings to date and the likely delay that the admission of the applicant’s submissions would cause.

Having considered the competing written and oral submissions, my decision was to endorse the approach adopted in the preliminary view. As I explained at the CMC, the Tribunal should, in my view, be slow to deny any party an opportunity to present its case, particularly in circumstances where, as in this case, any prejudice the proprietor may have suffered can be mitigated by the filing of submissions in reply and, as the applicant accepts in principle, an appropriate award of costs.

The timetable for these proceedings will follow the pattern outlined in the official letter of 4 August. However, to address your concerns on any potential delay, it was agreed at the CMC that **the proprietor’s submissions in reply would be filed by 26 August and the applicant’s submissions in reply (on costs only) by 2 September**. I will, as I promised at the CMC, then do my best to issue the substantive decision as quickly as possible.”

44. In its submissions in reply, the proprietor commented upon the additional costs it had incurred as a result of the filing of: (i) the applicant’s evidence in reply

(amounting to £2974 plus VAT) and (ii) the applicant's late written submissions (amounting to £6202 plus VAT). The proprietor states:

"We submit that the costs listed above have been incurred unnecessarily, and request that, whatever the outcome of these proceedings, an award of costs above the usual scale be made in the proprietor's favour."

45. In its response, the applicant argued that: (i) the applicant's behaviour had not been unreasonable, (ii) an out of time submission by a professional representative that was accepted by the Tribunal and which allowed the other side to reply was "an ordinary procedure", (iii) the request in relation to the applicant's evidence in reply should be disregarded because as the proprietor had already noted, the evidence was after the material date and did "not technically constitute "new factual matters" warranting an attempted filing of counter evidence", (iv) the proprietor's costs in relation to the applicant's late filed written submissions are "disproportionately high even with regard to full compensatory costs". Finally, the applicant states:

"10. Applicant, on the other hand, submits that the behaviour of [bto] has been unreasonable and unprofessional in a manner that warrants application of off the scale award of costs, lose or win, with regard to the pre-conduct of the CMC."

46. The applicant refers to a "pattern of failure to copy in the applicant on key correspondence" and points to, inter alia, the Tribunal's letter to the parties dated 26 January 2016 and bto's failure to copy to CAM its letter of 2 August 2016 as examples. Amongst other things, this failure on the proprietor's part is said to have "led to intense last minute work, causing stress and great inconvenience...and out-of-office hours preparatory work" leading to additional costs to the applicant in the amount of £1500 plus VAT."

47. I will deal first with the proprietor's request for costs in relation to what it considers to be unsubstantiated claims contained in the application and the filing of the applicant's evidence in reply. In the official letter of 8 July (refusing the

proprietor's request for leave to file a supplementary witness statement), the Tribunal stated:

“...no information has been given to explain why the market evidence was not filed earlier or why the evidence of alleged confusion after the material date is relevant and needs to be rebutted.”

48. At the time the applicant's evidence was filed it was unrepresented. Although in its application it referred to the use it had made of its “Vapouriz” trade mark, it chose not to file evidence in support of that claim; that was the applicant's choice and does not constitute a basis to award costs to the proprietor, let alone costs off the scale. As to its evidence filed in reply, the applicant obviously considered it was responding to the proprietor's evidence relating to brands used in the vaping market in this country and why, in its view, such evidence was not relevant. Turning to the proprietor's request for leave to respond to this evidence, as the Tribunal's letter of 8 July pointed out, any evidence the proprietor wished to provide in relation to “the UK's vaping market” should have been filed at the appropriate point in the proceedings and, as the proprietor points out in its submissions of 26 July, the evidence of alleged confusion was all after the material date of 12 December 2014. As that would have taken but a moment for a professional representative such as bto to discern, there was, in my view, absolutely no need for bto to investigate the matter any further and consequently no need for it to seek leave to file a supplementary witness statement in reply. As a consequence, I make no award to the proprietor in respect of the claims made by the applicant in its application nor in respect of the evidence filed by the applicant during the evidence rounds.

49. Turning to the applicant's criticisms of the proprietor's failure to copy “key correspondence” (first mentioned in its submissions of 1 August), I note that in its submissions following the CMC, it refers, inter alia, to the official letter of 26 January 2016. In that letter, the Tribunal does indeed note that bto's letter of 13 January 2016 had not been copied to the applicant. However, the same letter also notes that the applicant's letter of 1 January 2016 has not been copied to the proprietor. Thus it appears to me that in the instance I have described, both parties were at fault when it comes to the copying of correspondence.

50. In relation to the second instance of non-copying identified by the applicant i.e. bto's letter of 2 August (in response to the applicant's request to file submissions out of time), as far as I can tell, this letter and its attachments were not copied to CAM. However, in the official letter of 4 August 2016 to bto (copied to CAM), the Tribunal made specific reference to bto's letter of 2 August. It was, in my view, at this point that CAM ought to have realised that it had not had sight of the response referred to and not, as I understand its submissions, on the day before the CMC. Whilst bto's failure to copy its letter of 2 August 2016 to CAM is regrettable, a greater degree of diligence on CAM's part would have alerted it to this failure much earlier and would have avoided the "intense last minute work" referred to in its submissions. Whilst I intend to make no award to the applicant in relation to the issue of non-copying of correspondence, now is an opportune moment to remind all parties to proceedings before the Tribunal of the importance of copying correspondence to the other side and the potential consequences of failing to do so.

51. That leaves the proprietor's costs for dealing with the applicant's belated written submissions to be considered. As I mentioned earlier, at the CMC, Mr Cholij (for the applicant), accepted that his client was at fault and that if the applicant's submissions were admitted into the proceedings, the proprietor was, in principle, entitled to an award of costs in this regard. In its submissions, the applicant seeks costs in the amount of £4665 + VAT in respect of its actions between 1 and 10 August 2016 in relation to the applicant's request to file submissions late, £312 + VAT in respect of its preparation for, conducting of and "debriefing client" in respect of the outcome of the CMC and £1225 + VAT for preparing its written submissions in response to the applicant's late submissions. Although bto provide a chronology of the actions relating to the above, it did not provide an indication at what level in the firm the actions were undertaken; in the absence of such an indication, I have inferred they were undertaken by Mr Motion who is a partner at bto and who attended the CMC and signed the submissions on the proprietor's behalf.

52. In response to the applicant's request to file late submissions, bto filed a two page letter explaining why, in its view, the late submissions should not be admitted. This letter was accompanied by three other letters; two from the applicant's previous

trade mark attorney, MJP Deans dated 31 July 2015 to the proprietor and bto's response to those letters dated 13 August 2015 (all of which are likely to have been readily available). In its letter of 1 July 2016 in which the proprietor sought leave to file a supplementary witness statement, it stated:

“We submit there is no prejudice to the [applicant] if the further witness statement from the [proprietor] is received. Even if there is prejudice, we would submit that this will be limited and could be adequately reflected by way of costs.”

53. Whilst I accept that it was necessary for bto to consider the applicant's late filed submissions and having done so to then liaise with its client as how best to proceed (and that these actions will have increased the proprietor's costs), I agree with the applicant that the sum sought in relation to its actions in this regard appear to be excessive. In addition, having received the Tribunal's preliminary view of 4 August which, in my view, dealt with the issue of the late filing of the applicant's submissions in a sensible and proportionate manner, to then request a CMC to challenge that preliminary view was misguided, particularly having itself relied on costs alone as a suitable method of alleviating prejudice (see above). A professional representative such as bto ought, in my view, to have readily anticipated my reaction to the issue at the CMC i.e. in which I referred to the Tribunal being slow to deny any party an opportunity to present its case, particularly in circumstances where any prejudice suffered could be mitigated by the filing of submissions in reply and an appropriate award of costs. As a consequence, the proprietor is not entitled to any costs in relation to what I consider to be its misguided request for a CMC i.e. its preparation for, conducting of or advising its client in relation to the CMC.

54. At the hearing, CAM accepted that the proprietor is entitled to an award of costs in relation to its submissions in reply (to the applicant's late filed submissions). Although I note that bto indicated that this amounted to £1225 +VAT, given the nature and extent of the submissions in reply provided, this, once again in my view, appears excessive.

55. Considered overall, the proprietor is, in my view, entitled to a contribution to the costs it incurred in relation to its review of the applicant's late filed submissions (consisting of six pages), objecting to the admission of the late filed submissions and liaising with its client in that regard and for filing submissions in reply (including submissions on costs) amounting to five pages. Having reminded myself of the nature of these actions, I think that £1000 is an appropriate contribution in this regard.

56. In considering an award to the applicant, I remind myself that: (i) the applicant represented itself up to the point that CAM filed late submissions on its behalf and (ii) its evidence played no part in these proceedings. I would, in the normal course of events, have awarded costs to the applicant on the following basis.

Preparing a statement and considering the other side's statement:	£100
Considering the proprietor's evidence:	£300
Written submissions:	£400 – filed by CAM;
Official fee:	£200
Total:	£1000

57. However, as the costs I would have otherwise awarded to the applicant are counterbalanced by what I consider to be a reasonable contribution towards the costs incurred by the proprietor resulting from the applicant's failure, I make no award to either party.

Dated this 1st day of November 2016

C J BOWEN
For the Registrar
The Comptroller-General