

O/675/22

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3597982

IN THE NAME OF HORIZON VAPE DISTRO LTD

FOR THE TRADE MARK:

Simply Vape 100

IN CLASS 34

AND

OPPOSITION THERETO UNDER NO. 425405

BY SOHAIL GODER

Background and pleadings

1. On 19 February 2021, Horizon Vape Distro Ltd (“the applicant”) applied to register the trade mark shown on the cover page of this decision in the UK.
2. The application was accepted and published in the Trade Marks Journal on 9 April 2021 in respect of the following goods:

Class 34: *Electronic cigarettes; Electric cigarettes [electronic cigarettes]; Liquids for electronic cigarettes; Liquid for electronic cigarettes; Refill cartridges for electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Liquid nicotine solutions for electronic cigarettes; Liquid solutions for use in electronic cigarettes; Tobacco tar for use in electronic cigarettes; Electronic cigarette liquid [e-liquid] comprised of flavourings in liquid form used to refill electronic cigarette cartridges; Menthol cigarettes; Electronic cigarette liquid [e-liquid] comprised of flavorings in liquid form used to refill electronic cigarette cartridges; Liquid nicotine solutions for use in electronic cigarettes; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Electronic cigarette liquid [e-liquid] comprised of propylene glycol; Automatic cigarette cases; Flavorings, other than essential oils, for use in electronic cigarettes; Cigarettes containing tobacco substitutes; Cartridges sold filled with chemical flavorings in liquid form for electronic cigarettes; Liquefied gas cylinders for cigarette lighters.*

3. On 8 July 2021, Sohail Goder (“the opponent”) opposed the application. The opposition is based upon Sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).
4. For its claims under Section 5(2)(b), the opponent relies upon all the goods covered by the following trade mark:

UK00003244762



Filing date: 19 July 2017

Registration date: 03 November 2017

Class 34: *Electronic cigarette liquid [e-liquid] comprised of propylene glycol; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Flavorings, other than essential oils, for use in electronic cigarettes; all the aforesaid goods being produced in the United Kingdom.*

5. Given its filing date, the above mark is an earlier trade mark in accordance with Section 6 of the Act. As the earlier mark has not been registered for five years or more at the filing date of the contested mark, it is not subject to the proof of use provisions.

6. The opponent claims that the goods in the application are identical or highly similar to the goods covered by the earlier mark and that the marks are highly similar. As a consequence, the opponent claims that there is a likelihood of confusion under Section 5(2)(b).

7. Under Section 5(4)(a), the opponent claims goodwill in the two signs shown below:

1. VAPE SIMPLY



8. The opponent further claims that it first used the signs as early as 2015 throughout the UK in relation to the following goods and services:

Electronic cigarette liquid [e-liquid] comprised of propylene glycol, electronic cigarette liquid [e-liquid] comprised of vegetable glycerin, Flavorings, other than essential oils, for use in electronic cigarettes.

Wholesale and retail services relating to electronic cigarette liquid [e-liquid] comprised of propylene glycol, electronic cigarette liquid [e-liquid] comprised of vegetable glycerin, flavorings, other than essential oils, for use in electronic cigarettes.

9. Consequently, the opponent submits that it is entitled to prevent the use of the contested mark under the law of passing off.

10. The applicant filed a counterstatement denying the grounds of opposition.

11. Only the opponent filed evidence. I shall refer to the evidence to the extent that I consider necessary.

12. The opponent is represented by Mathys & Squire LLP and the applicant by London IP Ltd. Neither party requested a hearing, but the opponent filed submissions in lieu. This decision is taken following a careful consideration of the papers.

THE EVIDENCE

13. The opponent filed evidence in the form of a witness statement of Sohail Goder (the opponent himself) dated 14 November 2021. Mr Goder's evidence is accompanied by 10 exhibits (SG1-SG10).

Relevance of the EU law

14. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in

accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

DECISION

Section 5(2)(b)

15. Section 5(2)(b) of the Act is as follows:

“A trade mark shall not be registered if because-

[...]

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

16. Section 5A of the Act is as follows:

“Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

17. 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 great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

Comparison of goods

18. In the judgment of the Court of Justice of the European Union (“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”.

19. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(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.

20. 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 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 that the responsibility for those goods lies with the same undertaking”.

21. In *Gérard Meric v OHIM*,¹ the GC held that goods can be considered as identical when the goods designated by the earlier mark are included in a more general category designated by the trade mark application - and vice versa.

22. The goods to be compared are as follows:

| The applicant's goods | The opponent's goods |
|---|---|
| <i>Class 34: Electronic cigarettes; Electric cigarettes [electronic cigarettes]; Liquids for electronic cigarettes; Liquid for electronic cigarettes; Refill cartridges for electronic cigarettes; Electronic cigarettes for use as an alternative to</i> | <i>Class 34: Electronic cigarette liquid [e-liquid] comprised of propylene glycol; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Flavorings, other than essential oils, for use in electronic cigarettes; all the</i> |

¹ Case T-33/05

| | |
|---|---|
| <p><i>traditional cigarettes; Liquid nicotine solutions for electronic cigarettes; Liquid solutions for use in electronic cigarettes; Tobacco tar for use in electronic cigarettes; Electronic cigarette liquid [e-liquid] comprised of flavourings in liquid form used to refill electronic cigarette cartridges; Menthol cigarettes; Electronic cigarette liquid [e-liquid] comprised of flavorings in liquid form used to refill electronic cigarette cartridges; Liquid nicotine solutions for use in electronic cigarettes; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Electronic cigarette liquid [e-liquid] comprised of propylene glycol; Automatic cigarette cases; Flavorings, other than essential oils, for use in electronic cigarettes; Cigarettes containing tobacco substitutes; Cartridges sold filled with chemical flavorings in liquid form for electronic cigarettes; Liquefied gas cylinders for cigarette lighters.</i></p> | <p><i>aforesaid goods being produced in the United Kingdom.</i></p> |
|---|---|

23. Liquids for electronic cigarettes; Liquid for electronic cigarettes; Liquid nicotine solutions for electronic cigarettes; Liquid solutions for use in electronic cigarettes; Electronic cigarette liquid [e-liquid] comprised of flavourings in liquid form used to refill electronic cigarette cartridges; Electronic cigarette liquid [e-liquid] comprised of flavorings in liquid form used to refill electronic cigarette cartridges; Liquid nicotine solutions for use in electronic cigarettes; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Electronic cigarette liquid [e-liquid] comprised of propylene glycol; Cartridges sold filled with chemical flavorings in liquid form for electronic cigarettes. These goods (in the application) are all liquids for use in relation to

electronic cigarettes and are either identical or highly similar to *electronic cigarette liquid [e-liquid] comprised of propylene glycol; electronic cigarette liquid [e-liquid] comprised of vegetable glycerin* in the opponent's specification. These goods are identical.

24. Flavorings, other than essential oils, for use in electronic cigarettes. These goods are self-evidently identical to the opponent's *flavorings, other than essential oils, for use in electronic cigarettes*. These goods are identical.

25. Refill cartridges for electronic cigarettes. Refill cartridges are parts of electronic cigarettes. They are pods that are designed to be refilled multiple times. They are different to prefilled cartridges which come with e-liquid loaded inside. The applicant's goods are effectively empty shells that need to be filled with the opponent's e-liquids. While the goods differ in nature and method of use, they do share trade channels as the goods will be found in the same type of retail premises (or online equivalent) i.e. vape stores or the same section of supermarkets. The goods also share users and manufacturers. I also find that they share a complementary relationship in that they are important and/or indispensable to one another and the average consumer is likely to believe that the undertaking responsible for one goods is also responsible for the other. These goods are similar to a medium degree.

26. Tobacco tar for use in electronic cigarettes. These goods are for use with electronic cigarettes so are in close connection with the opponent's e-liquids. The goods are sold through the same trade channels and target the same consumers. Furthermore, they are complementary, as the contested goods are likely to be mixed together with the opponent's e-liquids. In my view these goods are similar to a medium to high degree.

27. Electronic cigarettes; Electric cigarettes [electronic cigarettes]; Electronic cigarettes for use as an alternative to traditional cigarettes. The users of electronic cigarettes will necessarily be the users of the e-liquids contained within them. Neither electronic cigarettes nor the liquids with which they are filled can function without each other. The average consumer, would, in my view expect the respective goods to be offered for sale by the same undertaking. I therefore find a high degree of

complementarity between the applicant's electronic cigarettes and the opponent's e-liquids. These goods are similar to a medium degree.

28. Cigarettes containing tobacco substitutes. The opponent's e-liquid products usually contain nicotine (which is extracted from tobacco). These goods and the opponent's e-liquids are different in nature but there is a degree of similarity to the extent that they can be (and usually are) nicotine-based products and are sold in the same retail outlets to the same public. In addition, there is a relationship of competition between them to the extent that persons who have developed a nicotine addiction can buy either tobacco (products and substitutes) or e-cigarettes (and related e-liquid products). Therefore, these goods are similar to a low to medium degree.

29. Menthol cigarettes. Similar considerations to those outlined in the paragraph above apply to these goods. These goods are similar to a low to medium degree.

30. Liquefied gas cylinders for cigarette lighters; Automatic cigarette cases. These goods are accessories to traditional smoking articles. Although the goods are not used with the opponent's e-liquids, they have a similar nature insofar as they are smoking articles and coincide in distribution channels and relevant public. These goods are similar to a low degree.

Average consumer

31. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

32. 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.”

33. The average consumer of the respective goods is a person who smokes. The goods will be purchased visually from a website after viewing the product listing. Alternatively, they will be requested aurally from a member of staff. Consequently, both visual and aural considerations are important.

34. As regard the level of attention, the opponent states that e-liquids are generally sold at low price point, “*typically for a few pounds for smaller volumes, up to approximately £10-20 for larger volumes*”. Whilst that might be correct, the average consumer will still take various factors into account such as safety of the product, nicotine content and flavour (in the case of e-liquids) and technical features (in the case of electronic cigarettes). Consequently, I consider that a medium degree of attention will be paid during the purchasing process for the goods.


Comparison of marks

35. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight

in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

36. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The respective marks are shown below:

| The applicant’s mark | The opponent’s earlier mark |
|----------------------|---|
| Simply Vape 100 |  |

Overall impression

37. In its counterstatement, the applicant stated:

“The only common element between the respective marks is the word SIMPLY. In both the Earlier Registered Mark and Application there are a number of other elements to each of the marks that are visually, phonetically and conceptually dominant in the minds of a consumer viewing the marks and serve to distinguish the marks in their minds. In addition, the only common element to the marks is a merely laudatory term that does not have distinctive trade mark significance for an average consumer of these products.”

38. In its submissions in lieu, the opponent states:

“Both marks incorporate the dominant and distinctive word SIMPLY in combination with the word VAPE. The average consumer, which reads from left to right, will pay particular attention to the word SIMPLY in the applicant’s mark, particularly on account of the low degree of distinctiveness of the word VAPE and the non-distinctiveness of the number 100 in respect of the applicant’s goods”.

39. The applicant’s mark consists of the three elements “Simply”, “Vape” and “100”. The word “Vape” will be seen as descriptive of the purpose of the e-liquid and e-cigarette products for which the mark is sought to be registered, which are used for vaping. Collins English dictionary defines “vape” as follows:

“If someone vapes, they breathe in a flavoured steam containing nicotine from a special device, instead of smoking burning tobacco in a cigarette or pipe.”

40. The opponent states that the element “100” is non-distinctive in relation to the contested goods and will not be attributed any trade mark significance. I agree. The opponent filed evidence which shows that e-liquids are sold in a variety of volumes, including 100ml, and that the number 100 is used by the applicant descriptively to denote the volumes of the product. The evidence includes copy of a webpage from the applicant’s website which states “*SIMPLY VAPE 100 E-LIQUIDS IS PROVIDED IN A 120ML SHORT-FILL BOTTLE (100ML OF E-LIQUID IN A 120ML BOTTLE) AND HAS SPACE FOR A 2X10ML NICOTINE SHOT*”. Alternatively, the number 100 could be seen as denoting a particular model or series of electronic cigarettes (or a type of cigarettes), in which case it will also be perceived as descriptive.

41. The word “SIMPLY” is defined as meaning “in a simple manner”, “merely” or “only”. It could be seen as a reference to the fact that the goods are simply to use or that the brand is merely about vaping products. Although not particularly distinctive *per se*, the word ‘SIMPLY’ is more distinctive than the word “VAPE” because the word “VAPE” will be understood as a direct reference to the purpose of the products. Further, the word ‘SIMPLY’ is placed at the beginning of the mark, and beginnings of marks are, generally, more focused upon. Consequently, the word “SIMPLY” has more weight than the other two elements of the mark.

42. The opponent's mark consists of a number of verbal and figurative elements. The verbal elements of the mark consist of the words "VAPE" "SIMPLY" and "PREMIUM E-LIQUID". The word "SIMPLY" is presented in black, in large letters, below the word "VAPE", which also in black, but in a much smaller font. The word "PREMIUM E-LIQUID" is presented in red, in a small font, and is placed within a banner below the word "SIMPLY". These verbal elements are all incorporated within a shield-shaped device which is decorated with the colour of the Union Jack.

43. The word "PREMIUM E-LIQUID" are wholly descriptive of the goods covered by the registration and will have little or no weight in the overall impression of the mark. The word "VAPE" might be a little more distinctive, but not much (if any). The shield-shaped device - which is decorated with the colour of the Union Jack - is ornamental and although it has a visual impact, it will be taken as a reference to the fact that the registered goods are produced in the UK. Further, there is a general principle that "words speak louder than devices". As such, the device will have little weight in the overall impression and the word "SIMPLY", which is inherently more distinctive and visually more prominent, remains the more distinctive element of the mark.

Visual similarity

44. The marks are visually similar in that they share the words "SIMPLY" and "VAPE" which are identically contained in both marks.

45. The impact of the similarity created by these elements is increased by the fact that in both marks the word "SIMPLY" is the component that is more likely to attract the attention of consumers. It is the visually dominant and most distinctive element of the earlier mark and the first and most distinctive element of the contested mark, the one that will have a stronger impact on the public. Even if the applicant were correct in that the word "SIMPLY" is, in itself, laudatory (and might be considered to have little distinctiveness), the other elements of the marks are even less distinctive than the word "SIMPLY". Bearing in mind the foregoing, I consider the marks to be visually similar to a low to medium degree.

Aural similarity

46. The applicant's mark will be referred to as 'SIMPLY VAPE' or 'SIMPLY VAPE 100'. As regards the earlier mark, it is likely that consumers will only pronounce the words 'VAPE SIMPLY', but not the words 'PREMIUM E-LIQUID', due to their length and descriptive nature. In my view the marks are aurally similar to a high degree (if the element '100' is omitted) or a medium to high degree (if the element '100' is articulated).

Conceptual similarity

47. Conceptually, the marks are similar to the extent that they will both convey the concepts carried by the common elements 'VAPE' and 'SIMPLY'. The fact that the word 'SIMPLY' appears before the word 'VAPE' in the applicant's mark and after the same word in the opponent's mark, makes no difference. Bearing in mind the above considerations on the semantic content of the differentiating elements of the marks and their weight, namely the image of the Union Jack, the words 'PREMIUM E-LIQUID' and the number '100', I consider the mark to be conceptually similar to a high degree.

Distinctive character of earlier mark

48. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

49. Registered trade marks possess various 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 which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it.

50. From an inherent perspective, the various elements of the earlier mark either have little or no distinctiveness (i.e. the words ‘VAPE’ and ‘PREMIUM E-LIQUID’), or are ornamental (the shield-shaped device which is decorated with the colour of the Union Jack) or, although distinctive to a certain degree, are not particularly so (the word ‘SIMPLY’). Further, the combination of these elements does not create a very distinctive mark. In my view the earlier mark as a whole is distinctive to a low to medium degree.

51. The opponent claims that the distinctiveness of the earlier mark has been enhanced through use. The evidence relevant to this claim can be summarised as follows:

- The opponent has been operating a number of e-liquid shops in the north-west England under the name Signature Vapour since 2015. These shops have sold and continue to sell e-liquid products under the brand ‘VAPE SIMPLY’ with the opponent’s consent. Use of the brand includes both use of the earlier figurative mark and use of the word mark ‘VAPE SIMPLY’;

- After December 2018, one of the opponent's company, Blackstone Distribution Limited, has manufactured, sold and distributed e-liquid products under the brand 'VAPE SIMPLY';
- The brand 'VAPE SIMPLY' was first introduced in 2015 and was still used and promoted in the UK at the date of the witness statement. It is one of Signature Vapour's and Blackstone's core brands and is used in relation to more than 80 flavours of e-liquids;
- The products are sold in Signature Vapour-branded shops, through Blackstone's website at www.blackstonedistribution.co.uk, in vape shops, via online distributors and through a number of third-party websites;
- From 2015 to 2020 a total of more than 5 million units of the products were manufactured, all of which bore the trade mark 'VAPE SIMPLY', and the revenue for the products sold during the same period under or by reference to the same mark is approximately £2million;
- Between 2015 and 2021 the opponent spent approximately £30k per year to promote the brand 'VAPE SIMPLY'.

52. Although the opponent has generated a significant revenue under the brand 'VAPE SIMPLY' in the five-year period 2015-2020, the figures provided are not broken down by year, which means that it is not possible to know what proportion of the total revenue was generated in the years closer to the relevant date of 19 February 2021.

53. Further, the total revenue of £2million relates to a five-year period, so assuming that the opponent generated more or less the same revenue each year, this would amount to about £400,000 per year, which is not so impressive when one considers the market for these goods. There is no information about the market share held by the mark and the amount spent by the opponent in promoting the mark is on the low side.

54. Based on the evidence filed, my conclusion is that although the opponent has used the earlier mark for a number of years prior to the relevant date, the use shown is not sufficient to demonstrate that the distinctiveness of the mark has been enhanced to any material extent.

Likelihood of confusion

55. 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 marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the 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 marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

56. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark*, BL O/375/10, where Iain Purvis Q.C. as the Appointed Person explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

- (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

- (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

- (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

57. Earlier in this decision I have found that the competing marks are visually similar to a low to medium degree, aurally similar to a medium to high or high degree, and conceptually similar to a high degree. Some of the goods are identical, whilst others are similar to various degree, from high to low. The average consumer is a member of the general public who smokes and will select the goods visually with a medium degree of attention, although I do not discount aural considerations. The earlier mark is distinctive to a low to medium degree and although the various elements of the mark have a visual impact, most of the distinctiveness of the mark resides in the word ‘SIMPLY’.

58. The average consumer will remember the applicant’s sign as ‘SIMPLY VAPE’ and the opponent’s sign as ‘VAPE SIMPLY’. This is because although the marks contain other elements, they are either descriptive (e.g. the number 100 in the applicant’s mark and the words ‘PREMIUM E-LIQUID’ in the opponent’s mark), or are ornamental (e.g. the device which incorporate the Union Jack). Further, even if the word ‘VAPE’ is descriptive (or allusive) in the context of the goods at issue, it is part of the brand which will be memorised and recollected due to it forming a unit with the word ‘SIMPLY’ in both marks. Both marks have one and the same essential concept – that vaping is

simple or that the brand is only about vaping products - and this is the message conveyed to the average consumer in both marks regardless of whether the word 'SIMPLY' appears before the word 'VAPE' or vice versa.

59. In my view, although the visual differences between the marks are sufficient to avoid the average consumer directly confusing the marks, it is likely that the average consumer will become tangled up with the units 'SIMPLY VAPE' and 'VAPE SIMPLY' in their recollection of the marks and will indirectly confuse the marks putting the differences between the marks down to the applicant's mark being a variant mark used by the same or economically connected undertakings. There is a likelihood of indirect confusion, for all of the contested goods, even for the goods which are less similar.

60. The opposition based on Section 5(2)(b) succeeds in its entirety.

Section 5(4)(a)

61. Section 5(4)(a) states:

“(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa) [...]

(b) [...]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

62. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of

application for registration of the trade mark or date of the priority claimed for that application.”

63. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

64. Halsbury’s Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

“Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation¹ among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other indicium which is the same or sufficiently similar that the defendant’s goods or business are from the same source² or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

- (a) the nature and extent of the reputation relied upon,
- (b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action”.

The relevant date

65. The matter must be assessed as at the relevant date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of Section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’

66. The relevant date for assessing whether the opponent had the necessary goodwill to sustain its action for passing off is 19 February 2021. As the applicant has not filed any evidence of use, this is the only date I must consider.

Goodwill

67. The issue of what constitutes goodwill was discussed in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

68. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence

which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97* as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

69. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

80. Under this ground the opponent relies on two earlier marks, namely a figurative mark which is identical to the earlier mark relied upon under Section 5(2)(b) and the word mark 'VAPE SIMPLY'. However, as the opponent has succeeded under Section 5(2)(b) based on the figurative mark, I will only consider the opponent's case under Section 5(4)(a) based on the word mark.

81. I have already summarised the evidence above. As I have pointed out earlier, there are a number of deficiencies in the evidence, for example there is no annual breakdown of the sale figures for the period 2015-2020. However, the sales figures are also supported by plenty of invoices which shows consistent sales by the opponent's company Blackstone Distribution Limited of a variety of 'VAPE SIMPLY' e-liquid products throughout the UK, including in the three years preceding the relevant date, i.e. 2018-2021. This is sufficient to establish that there was enough goodwill at the relevant date attached to the opponent's business.

82. As regards the form of the sign used, use of the word mark 'VAPE SIMPLY' is shown on the invoices as well as on webpages; even though the webpages are undated, the invoices are sufficient to demonstrate use of the word mark prior to the relevant date.

83. Taking all of the above into account I am satisfied that the opponent had sufficient goodwill associated with the sign 'VAPE SIMPLY' at the relevant date to sustain its claim for passing off.

Misrepresentation and damage

84. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

"There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc. [1990] R.P.C. 341 at page 407* the question on the issue of deception or confusion is

"is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]"

The same proposition is stated in *Halsbury's Laws of England 4th Edition Vol.48 para 148* . The necessity for a substantial number is brought out also in *Saville*

Perfumery Ltd. v. June Perfect Ltd. (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

85. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, Lord Justice Lloyd commented on the paragraph above as follows:

“64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the “substantial number” of people who have been or would be misled by the Defendant's use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant's actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant's business, then the substantial number will also be proportionately small.”

86. Accordingly, once it has been established that the party relying on the existence of an earlier right under section 5(4)(a) had sufficient goodwill at the relevant date to found a passing-off claim, the likelihood that only a relatively small number of persons would be likely to be deceived does not mean that the case must fail. There will be a misrepresentation if a substantial number of customers, or potential customers, of the claimant's actual business would be likely to be deceived.

87. I have already found that the opponent succeeded under Section 5(2)(b) based on the figurative mark. The opponent case based on the word mark 'VAPE SIMPLY' is even stronger because the competing marks are visually more similar, the comparison being between 'VAPE SIMPLY' (the opponent's earlier sign) and 'Simply Vape 100' (the applicant's mark). As it will be recalled, I have found that the element '100' in the applicant's mark is descriptive, but even if it were to be pronounced, the marks would be aurally similar to a medium to high degree. The same goes for the visual and conceptual similarity as the different position of the two verbal elements 'SIMPLY' and 'VAPE' in the respective marks does not outweigh the similarity created by the identity of these elements, which I would pitch as medium to high (visually) and high (conceptually).

88. In the circumstances I do not find difficult to conclude that use of the applicant's mark would cause both misrepresentation and damage to the opponent's goodwill.

89. The opposition under Section 5(4)(a) also succeeds.

OUTCOME

90. The opposition succeeds under both grounds. The application will be refused.

COSTS

91. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances, I award the opponent the sum of £1,200 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

| | |
|--|--------|
| Preparing and filing a notice of opposition: | £250 |
| Filing evidence: | £500 |
| Submissions in lieu | £250 |
| Official fees: | £200 |
| Total | £1,200 |

92. I therefore order Horizon Vape Distro Ltd to pay Sohail Goder the sum of £1,200. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 11th day of August 2022

**Teresa Perks
For the Registrar**