O/0595/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NOS. UK00003814462, UK00003814464 AND UK00003814463

BY IMPERIAL TOBACCO LIMITED

TO REGISTER THE TRADE MARKS:

HAVANA BREEZE
HAVANA STORM
HAVANA WIND

IN CLASS 34

AND

IN THE MATTER OF OPPOSITIONS THERETO

UNDER NOS. 437460, 437476 AND 438063

BY EMPRESA CUBANA DEL TABACO (CUBATABACO)

BACKGROUND AND PLEADINGS

1. On 28 July 2022, Imperial Tobacco Limited ("the applicant") applied to register the following trade marks, in the UK:[1]

HAVANA BREEZE

Class 34 Tobacco free oral nicotine pouches (not for medical use); snuff without tobacco; snus without tobacco.

("the First Application")

HAVANA STORM

Class 34 Tobacco free oral nicotine pouches (not for medical use); snuff without tobacco; snus without tobacco; snuff boxes (not of precious metal); snus boxes (not of precious metal).

("the Second Application")

HAVANA WIND

Class 34 Tobacco free oral nicotine pouches (not for medical use); snuff without tobacco; snus without tobacco; snuff boxes (not of precious metal); snus boxes (not of precious metal).

("the Third Application")

2. The First and Second Applications were opposed on 14 November 2022 and the Third Application was opposed on 15 December 2022, all by Empresa Cubana del Tabaco (CUBATABACO) ("the opponent"). The oppositions are based upon sections 5(2)(b), 5(3), 3(3)(b) and 3(4) of the Trade Marks Act 1994 ("the Act"). Under sections 5(2)(b) and 5(3) of the Act, the opponent relies upon the following trade mark:

[1] Although these marks were originally applied for by Imperial Tobacco Ventures Limited, they were assigned to Imperial Tobacco Limited on 18 January 2023.

UKTM no. 905428611[2]

Filing date 31 October 2006; registration date 5 November 2007

3. Under section 5(2)(b) of the Act, the opponent relies upon all goods for which the mark is registered, namely: "Class 34: Tobacco; smokers' articles; matches". The opponent claims that the marks are similar, and the goods are identical or similar, with the result that there is a likelihood of confusion.

4. Under section 5(3) of the Act, the opponent claims to have a reputation for "tobacco" in class 34. The opponent claims that use of the applicant's mark would, without due cause, take unfair advantage of, and/or be detrimental to, the distinctive character and/or repute of the earlier mark.

5. Under section 3(3)(b) of the Act, the opponent claims that the use of the word HAVANA in the application gives rise to a real expectation on the part of the UK public that the goods sold by the applicant originate from Cuba. Consequently, the opponent claims that the application would be misleading as to the geographical origin, nature and characteristics of the goods.

6. Under section 3(4) of the act, the opponent claims that use of the application would amount to misleading advertising under the Consumer Protection from Unfair Trading Regulations 2008 and Business Protection from Misleading Marketing Regulations 2008. This is because the use of the word HAVANA in the mark falsely implies that the products sold by the applicant derive from Havana, Cuba or are made of Cuban tobacco and that this will distort economic behaviour because the consumer is more likely to buy the product.

7. The applicant filed counterstatements denying the grounds of opposition and putting the opponent to proof of use of the earlier mark.

[2] On 1 January 2021, the UK left the EU after the expiry of the transition period. Under Article 54 of the Withdrawal Agreement, the Registry created comparable UK trade marks for all rights holders with an existing European Union trade mark ("EUTM"). As a result of the opponent having an EUTM protected as at the end of the Implementation Period, a comparable UK trade mark was automatically created. The comparable trade mark shown here is now recorded on the UK trade mark register, has the same legal status as if it had been applied for and registered under UK law, and retains its original filing date.

8. Neither party requested a hearing, and only the opponent filed written submissions in lieu. This decision is taken following a careful consideration of all papers on file.

REPRESENTATION

9. The applicant is represented by Stevens Hewlett & Perkins.

10. The opponent is represented by Marks & Clerk LLP.

EVIDENCE AND SUBMISSIONS

11. The opponent filed evidence in the form of the witness statement of Jose Antonio Cejas Diaz dated 30 May 2023, which is accompanied by 8 exhibits (Exhibits 1 to 8). Mr Diaz is Corporate Director of Hunters & Frankau, the exclusive UK distributor for Havana cigars (which he states are known as “Habanos”). He explains that the opponent is the Cuban shareholder of the business that appointed his company as distributor.

12. The applicant filed evidence in the form of the witness statements of:

a) Jonathan Sutton dated 9 August 2023, which is accompanied by 6 exhibits (JS1 to JS6). Mr Sutton is the Chartered Trade Mark Attorney acting on behalf of the applicant in these proceedings.

b) Par Danielsson dated 14 August 2023, which is accompanied by 2 exhibits (PD1 and PD2). Mr Danielsson is Senior Brand Manager for the Oral Nicotine Delivery category within the applicant’s group of companies.

13. The applicant’s evidence was accompanied by written submissions dated 9 August 2023.

14. The opponent filed evidence in reply in the form of the witness statement of Hernán Ross dated 9 October 2023, which is accompanied by 2 exhibits (HR1 and HR2). Mr Ross is the Chartered Trade Mark Attorney acting on behalf of the opponent in these proceedings.

15. As noted above, the opponent filed written submissions in lieu of a hearing, which are dated 10 November 2023.

RELEVANCE OF EU LAW

16. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

DECISION

Proof of use

17. Given its earlier filing date, the trade mark upon which the opponent relies qualifies as an earlier trade mark pursuant to section 6 of the Act. As the earlier mark had completed its registration process more than 5 years prior to the filing date of the applications in issue, it is subject to the use provisions of section 6A of the Act. As the question of use is relevant to both the section 5(2)(b) and 5(3) grounds of opposition, I will begin by assessing genuine use.

18. The relevant statutory provisions are as follows:

> "6(1) This section applies where:
>
> > (a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section "the relevant period" means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

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

(3) The use conditions are met if –

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

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

(4) For these purposes -

a) use of a trade mark includes use in a form (the "variant form") differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

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

(5)-(5A) [Repealed]

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

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

"If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

20. The relevant period for assessing genuine use is the five-year period ending with the filing date of the applications i.e. 29 July 2017 to 28 July 2022. As the earlier mark is a comparable mark, use within the EU will be relevant for the part of the relevant period which falls prior to IP Completion Day (i.e. 31 December 2020).[3] Only use in the UK will be relevant after that date.

21. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:

"105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 P *Sunrider Corp* v *Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009]

[3] See paragraph 7 of Part 1, Schedule 2A of the Act.

ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C–720/18 and C–721/18 *Ferrari SpA v DU* [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale

of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

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

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

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

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

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

23. Mr Diaz states that the mark relied upon by the opponent has been used by its exclusive distributor since 1994. There are various sub-brands used, but Mr Diaz confirms that all packaging displays the earlier mark.[4] Mr Diaz states that his company has distributed the opponent's products to UK customers between the years 2017 and 2022. The following number of cigars have been imported by Mr Diaz's company:[5]

2017	2,095,619
2018	2,056,051
2019	2,107,211
2020	2,099,440
2021	1,798,928
2022	1,671,845

I bear in mind that not all of the figures for 2017 and 2022 will fall within the relevant period.

24. Mr Diaz confirms that the opponent sells its goods through 155 franchise stores worldwide. However, only four of them are located in the UK (one of which is in Harrods). I note that there are currently 75 retailers that sell the opponent's goods in the UK. These are located across the UK (such as London, Bath, Leicestershire, Manchester and Glasgow).[6] However, this list appears to be correct as at the date of Mr Diaz's statement and no information is provided as to how many of these retailers were selling the opponent's goods during the relevant period.

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[4] Exhibit 5
[5] Exhibit 6
[6] Exhibit 7

25. Mr Diaz has provided invoices for goods shipped to his company, during the relevant period, which amount to over $3.2million.[7] Although the invoices feature product descriptions, these consist largely of codes and (what appear to be) the names of sub-brands for the opponent's cigars.

26. I am satisfied that the evidence before me shows genuine use of the mark relied upon in relation to cigars. There has clearly been a reasonable level of sales in relation to those goods in the UK, during the relevant period. There have been sales made through retailers across the country, including some well-known department stores. However, the opponent must show genuine use for the goods covered by its specification. The opponent relies upon the following specification:

Class 34: Tobacco; smokers' articles; matches.

27. There is no suggestion in the evidence that the opponent sells anything other than cigars. In my view, "cigars" would not be included in any of these terms. Plainly, cigars are not a sub-category of *matches*. Whilst cigars contain tobacco, they are not tobacco itself. In my view, the term *tobacco* is not broad enough to cover goods containing tobacco. The term *smokers' articles* would, in my view, be understood to refer to articles used by a smoker, such as an ashtray or cigarette holder. I do not consider that the word *articles* would typically be understood to include the actual product that was being smoked itself. I am fortified in this finding by the various decisions supplied by the opponent with its written submissions, which appear to concur with that view.[8] Consequently, whilst I am satisfied that the opponent has shown genuine use in relation to "cigars", I do not consider that this establishes use in relation to the goods relied upon.

28. Consequently, the oppositions based upon sections 5(2)(b) and 5(3) fall at the first hurdle. However, in the event that I am wrong in my finding that the opponent's specification would not cover "cigars", I will carry out my assessment on the basis that the opponent can rely upon the term *cigars* in class 34.

[7] Exhibit 8

[8] Annex 1 to the opponent's written submissions in lieu.

Section 5(2)(b)

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

> "5(2) A trade mark shall not be registered if because –
>
> (a)…
>
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

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

> "5A 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."

31. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG,* Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc,* Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV,* Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM,* Case C-334/05P and *Bimbo SA v OHIM,* Case C-591/12P:

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

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

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

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

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

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

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

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

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

Comparison of goods

32. The competing goods are as follows:

Opponent's goods	**Applicant's goods**
Class 34 Cigars.	**The First Application** Class 34 Tobacco free oral nicotine pouches (not for medical use); snuff without tobacco; snus without tobacco. **The Second and Third Applications** Class 34 Tobacco free oral nicotine pouches (not for medical use); snuff without tobacco; snus without tobacco; snuff boxes (not of precious metal); snus boxes (not of precious metal).

33. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. 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 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."

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

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in particular, whether they are or are likely to be found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance, whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

Tobacco free oral nicotine pouches (not for medical use); snus without tobacco.

35. I understand the first of these terms to cover pouches that can be placed in the mouth and chewed (similar to chewing tobacco), but which are tobacco free. Similarly, the second term refers to a type of product that is placed in the mouth to release its

content, in this case, not including tobacco. They will overlap in method of use with the opponent's goods to the extent that the goods will be placed in the mouth. However, they differ in that the opponent's goods will be smoked, whereas the applicant's goods will be chewed/held in the mouth. The purpose of the goods will overlap to a degree, as both will be intended to provide the user with the effects of nicotine. The user of the goods may overlap, as the applicant's goods may be used by ex-smokers who are trying to move away from using tobacco-based products. I have no evidence before me to suggest that it is common for businesses that produce cigars to also produce tobacco free alternatives. The opponent has filed evidence to show that both tobacco-based products and tobacco-free products are sold through the same retailers (such as Tesco and Sainsbury's).[9] I accept that the goods could reach the market through the same retailers, such as supermarkets. I also consider that there is potential for them to be sold in reasonable proximity to each other within those retailers. The nature of the goods differs, with one being tobacco based and the other being tobacco free, one being a cylindrical roll for smoking and the applicant's goods being types of pouch for chewing/holding in the mouth. There may be an element of competition as the user may choose between tobacco-based products or tobacco-free alternatives in order to obtain the nicotine they require. However, competition is more likely to be between comparable types of product (such as tobacco-free cigarettes vs regular cigarettes or snus tobacco vs tobacco-free snus). The goods are not important or indispensable for each other, nor is the average consumer likely to perceive the same undertaking as being responsible for them. Consequently, there is no complementarity.[10] Taking all of this into account, I consider the goods to be similar to a medium degree.

Snuff without tobacco.

36. I understand "snuff" to refer to a type of tobacco that is inhaled through the nose, rather than smoked. However, in this case, the term refers to a tobacco-free alternative. The method of use of the goods will differ, as the opponent's goods are placed in the mouth and smoked, whereas the applicant's goods are inhaled. The nature of the goods differs, with the opponent's goods being rolled tobacco products

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[9] Exhibit HR1

[10] *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)***,** Case T-325/06

and the applicant's goods being tobacco-free powder. The purpose of the goods will overlap to the extent that both will be intended to provide the user with the effects of nicotine. The user of the goods may overlap, as the applicant's goods may be used by ex-smokers who are trying to move away from using tobacco-based products. I have no evidence before me to suggest that it is common for businesses that produce cigars to also produce tobacco free alternatives. However, I accept that the goods could reach the market through the same retailers, and may be sold in proximity to each other. There may be an element of competition as the user may choose between tobacco-based products or tobacco-free alternatives in order to obtain the nicotine they require. However, for the same reasons given above, competition is more likely to be between comparable types of product. The goods are not important or indispensable for each other, nor is the average consumer likely to perceive the same undertaking as being responsible for them. Consequently, there is no complementarity. Taking all of this into account, I consider there to be between a low and medium degree of similarity.

Snuff boxes (not of precious metal); snus boxes (not of precious metal).

37. These are boxes used to store types of tobacco. They will clearly differ in nature, method of use and purpose from the opponent's goods. I have no evidence before me to suggest that these goods would be produced by the same undertakings, although they may reach the user through the same retail outlets. I also accept that there may be some circumstances in which they may be sold in reasonable proximity to each other within those retailers. There is no competition between the goods, given their differing purposes. They are also not important or indispensable for each other, meaning there can be no complementarity. I accept that the user of the goods may coincide. Taking all of this into account, I consider the goods to be similar to a low degree.

The average consumer and the nature of the purchasing act

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

Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited, [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

> "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median."

39. The average consumer for the goods will be a member of the general public (who is over the age of 18, in the case of tobacco-based products). Most of these goods will be relatively frequent purchases and are unlikely to be particularly expensive. In the case of snus/snuff boxes, they are likely to be purchased less frequently. However, various factors will be taken into account during the purchasing process for all of the goods. For example, the average consumer might consider flavour and strength (for products intended to convey nicotine to the user) or aesthetics and durability (for goods such as snus/snuff boxes). Consequently, I consider that a medium degree of attention will be paid during the purchasing process.

40. Some of these goods will need to be hidden from view, with the consumer having to request them from the shop assistant. Consequently, I accept that the aural aspect of the purchase is important. However, even for those goods, the visual aspect of the purchase cannot be discounted, because the customer will have an opportunity to review the packaging at the point of purchase. Further, some of the goods will be selected from the shelves of a retail outlet (or online equivalent) and the visual aspect of the purchase will play the greater role.

Comparison of trade marks

41. It is clear from *Sabel* that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also

explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

> "… it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

42. 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.

43. The respective trade marks are shown below:

Opponent's trade mark	**Applicant's trade marks**
	HAVANA BREEZE (the First Application) HAVANA STORM (the Second Application) HAVANA WIND (the Third Application)

44. The opponent's mark consists of the word HABANOS presented in red font, with a yellow outline. It is presented on a pale-yellow background, with a gold strip at the top and bottom and a thinner silver strip inside. There is a leaf-shaped device before

the word. The eye is naturally drawn to the element of the mark that can be read, being the word HABANOS, particularly as it is presented in red. In my view, the word itself plays the greater role in the overall impression, with the device playing a lesser role and the background elements playing the least role. The First, Second and Third Applications all consist of the word HAVANA followed by a dictionary word (being BREEZE, STORM and WIND respectively). The opponent has argued that the word HAVANA should be the more distinctive element of the applications due to the words BREEZE, STORM and WIND being used as indicative of the strength of the product according to the applicant (see below). However, there are two issues with this submission. Firstly, the fact that the applicant intends these words to be used to refer to the strength of the product does not mean that that is how they will be interpreted by the average consumer. Secondly, the opponent itself argues that the word HAVANA will be understood as descriptive of the geographical origin of the product which, if correct, would render the word HAVANA non-distinctive. In my view, the two words in each application will be read in combination i.e. with the word HAVANA qualifying the second word (being a breeze, storm or wind from Havana). Consequently, the overall impression lies in the combination of these words.

45. Visually, the words HAVANA and HABANOS coincide in the presence of the letters HA-AN in the same order. However, they differ in that the third letter in HAVANA is V and in HABANOS is B, as well as in their different endings (A vs OS). Further, the additional words in the applicant's marks act as points of visual difference, as does the device in the opponent's mark. I bear in mind that the applicant's marks are word only marks which could be used in any font/colour. In my view, these marks are visually similar to a low degree.

46. Aurally, the word HABANOS is likely to be pronounced HAB-ANN-OSS. The word HAVANA in the applicant's marks is likely to be pronounced HAV-ANN-AAH. The second syllable will be pronounced identically, but the last syllable is entirely different, and there are also noticeable differences to the pronunciation of the first syllable. Further, the articulation of the words BREEZE, STORM and WIND in the applicant's marks will also be points of aural difference. Taking all of this into account, I consider the marks to be aurally similar to between a low and medium degree.

47. In relation to the conceptual comparison, the opponent submits as follows:

> "31.[…] the Opponent submits that the marks are conceptually highly similar, in so far as "Habanos" would be understood by consumers as referring to the Opponent and their smoker's articles under the same name. Likewise "Havana" would be understood by consumers, when considered in respect of these specific goods, as referring to the Opponent's smoker's articles. The Contested Marks when viewed as a whole would therefore be understood as referring to products produced by the Opponent, either under a new sub-brand which have a mint flavour of varying strengths."

48. The conceptual comparison of the marks is concerned with their inherent meaning. Whilst I note that the opponent claims that the words HABANOS and HAVANA CIGARS are used interchangeably within the UK market, I am not convinced that this is borne out on the evidence. I accept that there are documents which describe the opponent's products as HAVANA CIGARS, but there is nothing to satisfy me that the average consumer would understand the word HABANOS itself to have this meaning.[11] In order to establish that the words are usable interchangeably within the UK market, I would expect to see more compelling evidence. I also do not consider that the evidence proves that the average consumer would associate the word HAVANA with the opponent, over and above its ordinary meaning. In my view, the word HAVANA is likely to be understood as referring to the capital of Cuba. The words BREEZE, STORM and WIND will be given their ordinary dictionary meanings. When combined with the word HAVANA, they are likely to be understood as referring to a breeze/storm/wind originating in Havana. I note that the applicant's evidence explains that it has adopted these names to reflect the relative strength of the products it sells (from BREEZE being the least strong to STORM being the strongest). However, that is unlikely to be a concept immediately graspable by the average consumer. The word HABANOS is likely to perceived as a foreign language or invented word with no particular meaning. I do not consider that any of the other elements of the opponent's mark will be attributed any particular meaning. Consequently, the marks are conceptually dissimilar.

[11] See, for example, exhibit HR2

Distinctive character of the earlier trade mark

49. 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 1-2779, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

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

51. As explained above, I consider the word HABANOS likely to be viewed as a foreign language or invented word, with no particular meaning. It is, therefore, highly

distinctive. I do not consider that the other elements of the mark increase its distinctiveness, meaning it will be distinctive to a high degree as a whole.

52. I have summarised the opponent's evidence of use above. There is evidence of reasonably significant sales in the UK in the years leading up to the relevant date and use has been geographically widespread. I note that there is evidence that 75 retailers stocked the opponent's products as at the date of Mr Diaz's statement. Given that this was almost a year after the relevant date, I have no way of knowing how many of these retailers would have been selling the opponent's goods prior to the relevant date. However, given that that number of stockists is unlikely to have built up over a short period of time, I am prepared to infer that at least a reasonable proportion of those retailers would have been stocking the opponent's goods prior to the relevant date. However, I have no evidence of marketing expenditure or market share. In my view, the best that can be said based on the evidence before me is that the distinctiveness of the earlier mark has been enhanced by a moderate degree through use in relation to cigars.

Likelihood of confusion

53. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective goods may be offset by a greater degree of similarity between the marks 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 act. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

54. I have found as follows:

a) The goods vary from being similar to a medium degree to similar to a low degree.

b) The average consumer is a member of the general public (who is over the age of 18 in the case of tobacco-based products) who will be paying a medium (or average) degree of attention during the purchasing process.

c) The purchasing process will be either predominantly aural or visual (depending on the goods in issue). However, neither can be discounted.

d) The marks are visually similar to a low degree, aurally similar to between a low and medium degree and conceptually dissimilar.

e) The earlier mark is inherently distinctive to a high degree, which has been enhanced by a moderate degree through use in relation to cigars.

55. The applicant has filed evidence regarding the scale of the use that it has made of its marks. I note that Mr Danielsson refers to the fact that there have been no instances of confusion that the applicant is aware of. However, given that his evidence is that the product was launched in Sweden and Norway in 2022, that is not surprising. Firstly, there is no evidence of use in the UK and so it cannot be said that the UK average consumer has come into contact with both parties' marks. Secondly, as no specific date for the commencement of the use has been given it is not clear to me whether this was before or after the relevant date. Consequently, I do not consider that this line of argument assists the applicant.

56. Given the differences between the marks, I can see no reason for them to be mistakenly recalled or misremembered as each other. This is particularly the case given that the goods are, at best, similar to only a medium degree. In my view, there is no likelihood of direct confusion.

57. I will now consider whether there is a likelihood of indirect confusion. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr 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)".

58. I bear in mind that these examples are not intended to be an exhaustive list. Whilst I note that the opponent's mark is highly distinctive, the distance between this and the applicant's marks means that the average consumer would not assume that the same undertaking was responsible for both. The change of the word HABANOS to HAVANA is not consistent with a sub-brand or brand extension. I can see no other basis for indirect confusion to arise. In my view, there is no likelihood of indirect confusion.

59. For the avoidance of doubt, even if I am wrong in my finding that the average consumer will not understand the word HABANOS to mean HAVANA CIGARS, this would not have altered my finding. This is because this would result in only a non-distinctive point of conceptual similarity between the marks, which would be offset by the distance between the goods and the visual and aural differences.

60. The oppositions based upon section 5(2)(b) of the Act are dismissed.

Section 5(3)

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

"5(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, […] shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark."

62. I can deal with this ground relatively swiftly. For the same reasons set out above, the opponent's best case on the evidence before me is that it had a moderate

reputation at the relevant date.[12] However, the distance between the marks is, in my view, so significant that it overcomes any similarity of the goods and the only moderate strength of the opponent's reputation, such that no link would be made in the mind of the relevant public. If a link was made, it would be too fleeting for any damage to arise.

63. The oppositions based upon section 5(3) of the Act are dismissed.

Section 3(3)

64. Section 3(3)(b) of the Act states as follows:

> "(3) A trade mark shall not be registered if it is—
>
> (a) […]
>
> (b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service)."

65. In *TWG Tea Company Pte Ltd v Mariage Fréres SA,* BL O/358/17, Mr Phillip Johnson, sitting as the Appointed Person, conveniently summarised the case law as follows:

> "(a) it is necessary to establish that the mark will create actual deceit or a sufficiently serious risk that the consumer will be deceived: C-87/97 *Consorzio per la tutela del formaggio Gorgonzola,* ECLI:EU:C:1999:115, paragraph 41; C-259/04 *Emanuel,* ECLI:EU:C:2006:2015, paragraph 47; C-689/15 *W.F. Gözze Frottierweberei,* EU:C:2017:434, paragraph 54;
>
> (b) the deception must arise from the use of the mark itself (i.e. the use per se will deceive the consumer); *Gorgonzola,* paragraph 43; *Emanuel,* paragraph 49; *Gözze Frottierweberei,* paragraph 56;

[12] Paragraph 10 of Part 1, Schedule 2A of the Act.

(c) the assessment of whether a mark is deceptive should be made at the date of filing or priority date and so cannot be remedied by subsequent corrective statements: *Axle Associates v Gloucestershire Old Spots Pig Breeder's Club* [2010] ETMR 12, paragraph 25 and 26;

(d) the decision must have some material effect on consumer behaviour: *CFA Institute's Application* [2007] ETMR, paragraph 40;

(e) where the use of a mark, in particular a collective mark, suggests certain quality requirements apply to goods sold under the mark, the failure to meet such requirements does not make use of the mark deceptive: *Gözze Frottierweberei,* paragraphs 57 and 58;

(f) only where the targeted consumer is made to believe that the goods and services possess certain characteristics which they do not in fact possess will the consumer be deceived by the trade mark: T-248/05, *HUP Uslugi Polska v OHIM*, ECLI:EU:T:2008:396, paragraph 65;

(g) where a mark does not convey a sufficient specific and clear message concerning the protected goods and services or their characteristics but, at the very most, hints at them, there can be no deception in relation to those goods and services: *HUP,* paragraph 67 and 68; T-327/16; *Aldi v EUIPO* ECLI:EU:T:2017:439, paragraph 51;

(h) once the existence of actual deceit, or a sufficiently serious risk that the consumer will be deceived, has been established, it becomes irrelevant that the mark applied for might also be perceived in a way that is not misleading: T-29/16 *Caffé Nero Group v EUIPO,* ECLI:EU:T:2016:635, paragraph 48;

(i) where a trade mark contains information which is likely to deceive the public it is unable to perform its function of indicating the origin of goods: T-41/05 *SIMS*

– *École de ski internationale v OHIM,* EU:T:991:200, paragraph 50, *Caffé Nero*, paragraph 47."[13]

66. There is no evidence before me of actual deceit. Consequently, I must consider whether there is a sufficiently serious risk of the consumer being deceived in the future as to the nature and/or quality and/or geographical origin of the goods.

67. In its submissions in lieu, the opponent states as follows:

> "70. Where a trade mark includes reference to a particular geographical location, and it is being used in respect of goods or services for which that location has a particular association, it is reasonable to believe that the relevant consumer would genuinely expect the product to have originated from the referenced location.
>
> […]
>
> 72. […] where the geographical reference contained within the mark is understood to be an objective indicator of quality […], deception would occur wherever the product sold under the trade mark does not correspond to the geographical reference as presented in the trade mark. […]
>
> 73. […] It is submitted that Cuba would be recognised by the average consumer as having both a historic and cultural connection with smoking products.
>
> 74. Given that the word element 'HAVANA' in the Contested Marks would be known by English consumers as the name of the capital city of Cuba, it is logical that they would in turn make a connection between the word element and the renown Cuba holds for its tobacco/smoking products, even if the products in question are tobacco alternatives. Likewise, they would expect the relevant goods to originate from or be produced in Cuba as a result of this renown. Deception would therefore occur wherever the product sold under the trade

[13] Paragraph 84

> mark does not correspond to the geographical reference as presented in the trade mark."

68. I do not consider that the applications fall foul of section 3(3)(b) of the Act for a number of reasons. Firstly, I do not consider that the applications (when taken in their entirety) will be understood as a reference to the location from which the goods originate. When combined with the words BREEZE, WIND and STORM, the word HAVANA is likely to understood as referring to the origin of those weather types, rather than the goods. Consequently, I do not consider that the average consumer would be deceived as to the origin, quality or nature of the goods. Secondly, even if the word HAVANA was understood as referring to the geographical origin of the goods, it would only be deceptive if this were untrue. I have no evidence before me as to where the applicant's goods are produced/manufactured to demonstrate that a connection with HAVANA does not exist. Thirdly, I have no evidence before me to suggest that a connection being made by the average consumer to the city of HAVANA, in the context of the applied-for goods, would result in a change of economic behaviour. I have no evidence before me to demonstrate that HAVANA has a reputation for the applied-for goods. I am prepared to take it on judicial notice that Cuba has a reputation for cigars. However, those are not the applied-for goods. Indeed, the applied-for goods are not even tobacco-based goods such that it could be said that the average consumer might consider the tobacco contained within them to have been grown in Cuba or to be of a particular quality.

69. The oppositions based upon section 3(3)(b) of the Act are dismissed.

<u>Section 3(4)</u>

70. Section 3(4) of the Act states as follows:

> "A trade mark shall not be registered if or to the extent that its use is prohibited in the United Kingdom by any enactment or rule of law other than law relating to trade marks."

71. The law said to prohibit registration of the applicant's marks under section 3(4) of the Act is the Consumer Protection from Unfair Trading Regulations 2008 ("CPRs") and Business Protection from Misleading Marketing Regulations 2008 ("BPRs").

72. The relevant parts of the CPRs, as relied upon by the opponent, are set out below:

> "5 (1) A commercial practice is a misleading action if it satisfied the conditions in either paragraph (2) or paragraph (3).
>
> (2) A commercial practice satisfied the conditions of this paragraph –
>
> > (a) if it contains false information and is therefore untruthful in relation to any of the matters in paragraph (4) or if it its overall presentation in any way deceives or is likely to deceive the average consumer in relation to any of the matters in that paragraph, even if the information is factually correct; and
> >
> > (b) it causes or is likely to cause the average consumer to take a transactional decision he would not have taken otherwise.
>
> (4) The matters referred to in paragraph (2)(a) are –
>
> > (a) the existence or nature of the product;
> >
> > (b) the main characteristic of the product (as defined in paragraph 5); […]"

73. The relevant parts of the BPRs, as relied upon by the opponent, are set out below:

> "3(1) Advertising which is misleading is prohibited.
>
> (2) Advertising is misleading which –

(a) in any way, including its presentation, deceives or is likely to deceive the traders to whom it is address or whom it reaches; and by reason of its deceptive nature, is likely to affect their economic behaviour; […]

(3) In determining whether advertising is misleading, account shall be taken of all its features, and in particular of any information it contains concerning –

(a) the characteristics of the product (as defined in paragraph (4)); […]

(4) In paragraph (3)(a) the "characteristic of the product" include –

[…]

(b) the nature of the product; […]

(k) geographical or commercial origin of the product; […]"

74. Both of these Regulations require 1) deception and 2) a change in economic behaviour. For the same reasons given above under the section 3(3)(b) ground, I do not consider that either of these would occur in the present case. Consequently, I do not consider that this ground puts the opponent in any stronger position.

75. The oppositions based upon section 3(4) of the Act are dismissed.

CONCLUSION

76. The oppositions are unsuccessful and, subject to any successful appeal, the applications may proceed to registration.

COSTS

77. As the applicant has been successful, it is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of **£2,250**, calculated as follows:

Considering the Notices of opposition and preparing counterstatements	£500
Considering the opponent’s evidence and filing evidence	£1,250
Written submissions	£500
Total	**£2,250**

78. I therefore order Empresa Cubana del Tabaco (CUBATABACO) to pay Imperial Tobacco Limited the sum of **£2,250**. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 25th day of June 2024

S WILSON
For the Registrar