

O/0135/26

TRADE MARKS ACT 1994

**IN THE MATTER OF
TRADE MARK APPLICATION NO. UK4060095
IN THE NAME OF KHAIRAT AL MANAFIE CO FOR TRANSPORT AND
GENERAL TRADING LTD**

TO REGISTER AS A TRADE MARK

SEPHORA TOBACCO

IN CLASS 34

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 449639
BY SEPHORA**

BACKGROUND AND PLEADINGS

1. On 5 June 2024, Khairat Al Manafie Co For Transport And General Trading Ltd (“the applicant”) applied to register trade mark number UK4060095 for the mark shown on the cover page of this decision in the United Kingdom. The application was accepted and published for opposition purposes on 28 June 2024, in respect of the following goods:

Class 34: *Cigarettes; Cigarettes containing tobacco substitutes, not for medical purposes; Flavourings, other than essential oils, for tobacco; Cigarillos; Cigars; Herbs for smoking; Tobacco.*

2. The application is opposed by SEPHORA (“the opponent”). The opposition was filed on 13 September 2024 and is based upon section 5(3) and section 3(6) of the Trade Marks Act 1994 (“the Act”).¹ The opposition is directed against all of the goods in the application under both grounds. The opponent relies upon the following comparable mark under the section 5(3) grounds:



UK trade mark registration number 910353944

Filing date: 19 October 2011

Registration date: 22 March 2012

Registered in Classes 3, 35 and 44

Relying on some goods and services only in classes 3 and 35, namely:

Class 3: *Cosmetics; Make-up preparations; Grooming aids; Care preparations for the body.*

¹ While the original opposition was filed under section 5(3) grounds only, the opponent subsequently filed Form TM7(G) requesting that the 3(6) grounds be added to the notice of opposition. The Registry issued a preliminary view accepting the opponent’s request, which went unchallenged, and the applicant was accordingly invited to file an amended Form TM8 in its defence of the additional grounds.

Class 35: *Retailing of toiletries, perfumery, cosmetics, make-up preparations, preparations for the cosmetic care of the face and body, hair care and beauty preparations.*

3. Under Article 54 of the Withdrawal Agreement between the UK and the EU, the UK IPO created comparable UK trade marks for all right holders with an existing registered EUTM or International Registration designating the EU. As a result, the opponent's mark was converted into a comparable UK trade mark. Comparable UK marks are now recorded in the UK trade mark register, have the same legal status as if they had been applied for and registered under UK law, and the original filing dates remain the same.²

4. The trade mark upon which the opponent relies under the 5(3) grounds qualifies as an earlier trade mark under Section 6(1) of the Act.

5. Under section 5(3), the opponent submits that use of the applicant's mark in connection with the applied for goods would take unfair advantage of, and would be detrimental to, the reputation and distinctive character that exists in the opponent's mark. It submits that the relevant public will perceive a link between the marks owing to the high degree of visual and aural similarities between them and that use of the applicant's mark for the applied-for goods could result in a reduction in the economic value attached to the earlier mark. It submits that the application has been filed without due cause.

6. Under the section 3(6) claim, the opponent submits that "because of the worldwide fame of the Opponent's SEPHORA mark, the Applicant would undoubtedly have had knowledge of the mark as well as the reputation and distinctive character connected to it". It submits that the applicant's intention was to file a trade mark application with the purpose of appropriating the strong reputation and distinctive character of the mark. It further submits that the application will harm the opponent's reputation owing

² See also Tribunal Practice Notice ("TPN") 2/2020 End of Transition Period – impact on tribunal proceedings.

to the negative health effects associated with the applicant's goods. The opponent submits that the applicant has a track record of filing trade mark applications that rightfully belong to other companies. It submits that there is a prima facie case of bad faith and that the applicant should be required to rebut the opponent's claim.

7. The applicant filed a counterstatement denying the claims under both grounds. In relation to the 5(3) grounds brought against it, the applicant submits that the opponent has not provided sufficient evidence to establish that its mark enjoys the level of reputation or recognition in the UK necessary to invoke protection under section 5(3). With regard to the 3(6) grounds, the applicant submits that the opponent bears the burden of proof to demonstrate that the application was made in bad faith. It requests that the opposition be dismissed in its entirety.

8. Only the opponent filed evidence and written submissions during the evidence rounds. Neither party requested a hearing; only the opponent filed written submissions in lieu of a hearing. This decision is taken following careful consideration of the papers on file.

9. In these proceedings, the opponent is represented by Wynne-Jones Limited; the applicant is not professionally represented.

EVIDENCE AND WRITTEN SUBMISSIONS

10. The opponent filed evidence in chief in support of the opposition by way of a witness statement in the name of Stéphanie Prunier, which is dated 16 April 2025. Ms Prunier describes her current role as Global Intellectual Property Legal Director of the opponent. The witness statement is accompanied by 28 exhibits, labelled exhibit SP01 to exhibit SP28 accordingly. I note that exhibit SP28 includes survey evidence, for which permission to include as part of the evidence was requested and subsequently granted by the Tribunal.³ The purpose of the evidence is to demonstrate the reputation of the brand and to show that genuine use has been made of the trade mark during the relevant period.

³ As stipulated at 4.8.4.5 of the Manual of Trade Marks Practice.

11. A witness statement dated 22 April 2025 in the name of Liam Peters, being a Trade Mark Attorney and Partner of the opponent's representative, was also filed in support of the opposition, alongside eight exhibits labelled Exhibit LP01 to Exhibit LP08. The purpose of the evidence is to support the claim that the contested application was made in bad faith.

12. A further four witness statements were filed, dated between 20 and 22 April 2025. Two of the four statements are in the name of Sebastian Haywood-Ward, one is in the name of Begum Okumus, and one is in the name of Alice Kinnane. I note that each of these witnesses are translators for Temple Translation Ltd and that each have performed translations of the evidence of Ms Prunier at the request of the opponent's representative. Each witness statement is accompanied by exhibits which contain a translation into English of various parts of the exhibits labelled SP05 and SP18.

13. The opponent also filed written submissions to accompany the first round of evidence, as well as written submissions in lieu of a hearing.

14. I have taken the evidence and submissions into account in reaching my decision and I will refer to the relevant material throughout the decision to the extent I consider necessary.

RELEVANCE OF EU LAW

15. 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

16. The opponent's trade mark had completed its registration process more than five years before the application date of the contested mark. As a result, under the 5(3) grounds, it is, in principle, subject to the provisions on use under Section 6A of the Act. I note that on filing its Form TM8 Notice of Defence and Counterstatement, the applicant has requested that the opponent provides proof of use of the mark for all the goods and services on which it relies. Because the earlier mark is only relied on under section 5(3), I shall not undertake a full assessment of genuine use. This is because reputation sets a higher bar for the opponent to overcome. However, as the earlier mark is a figurative mark, I shall consider what the evidence shows about the forms of the mark that may be relied on.

17. The relevant statutory provisions under Section 6A of the Act are as follows:

(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.

18. As the earlier mark is a comparable mark, paragraph 7 of Part 1, Schedule 2A of the Act is also relevant. As such, the territory in which use of the opponent’s mark must be shown is the EU (including the United Kingdom)⁴ prior to IP completion day, being 31 December 2020, and the United Kingdom only thereafter.

⁴ *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, paragraphs 36, 50 and 55.

19. Section 100 of the Act states that:

“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 during which genuine use must be shown is the five years ending with the application date of the contested application. This was 5 June 2024, meaning the relevant period is 6 June 2019 to 5 June 2024.

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 Bunderversammlung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken 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]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

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

Evidence of use

22. Under the Section 5(3) grounds, the opponent has claimed that use has been made of all of the goods and services in classes 3 and 35 for which it claims to have a reputation, being:

Class 3 – Cosmetics; Make-up preparations; Grooming aids; Care preparations for the body.

Class 35 - Retailing of toiletries, perfumery, cosmetics, make-up preparations, preparations for the cosmetic care of the face and body, hair care and beauty preparations.

23. I note the following from the witness statement of Ms Prunier (“WS1”) and the accompanying exhibits provided:

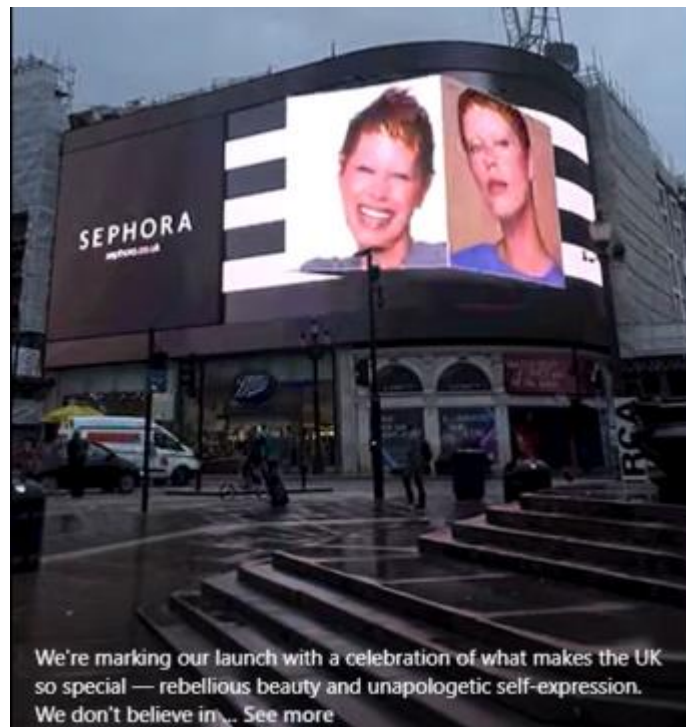
- The opponent is a multinational retailer of personal care and beauty products, founded in France in 1969.
- The opponent operates over 3,200 stores across 38 countries, 860 of which are located in the EU/UK.
- The opponent also retails its own brand products online, alongside third party branded goods, through its own websites with various EU domains and a UK domain.
- During the 2000’s the opponent had a market presence in the UK but opted to leave because of market conditions. However, prior to relaunch in the UK and before opening physical stores here, the opponent acquired a “leading online beauty retailer” (feelunique.com in Sept 2021). From October 2022, the website was used to direct customers to its website www.sephora.co.uk.
- The opponent opened its first physical UK store on 8 March 2023, with a second opened in November 2023. Third and fourth UK stores were opened in September 2024 and November 2024 respectively. The opening of further UK stores is planned in the future.
- SEPHORA has a presence on social media platforms Instagram, Facebook, X, Youtube and TikTok for which it enjoys millions of followers, although it is unclear what percentage of these come from the EU or UK. I note that it also has dedicated UK social media accounts, with 662,000 UK followers on Instagram, and 204,000 UK followers on Tik Tok. Whilst these figures were provided in WS1, dated 16 April 2025, the supporting exhibit SP20 does not evidence how many followers there were during the relevant period.

- The opponent has elected not to disclose sales data relating to sales figures in the UK “for reasons of confidentiality”. However, Ms Prunier states that publicly available information indicates that SEPHORA already occupies “a significant market share” in the UK. The supporting exhibit SP18 includes a report from Statista.com, dated 10 December 2024, which placed SEPHORA in fifth place in its “Leading online retailers for beauty brands in the United Kingdom (UK) in 2023, by purchase intent clicks”. The time period is given as 1 January – 16 November 2023, and I note that the report shows that the third place retailer enjoyed a five percent share and as such, I deduce the opponent’s share to be less than five percent during this time, based on this report.
- The evidence include various reports, including the Interbrand report showing Sephora as entering its “Best Global Brands 2021” table at #100, and placing it at #96 in 2023, and at #90 in 2024 (Exhibit SP03). However, it is not evident how this is reflected in relation to either the EU or UK markets. I also note the various press articles, including those which refer to the relaunch and the opening of SEPHORA stores in the UK, and to SEPHORA products and their availability in the UK, as well as about the take-over of Feel Unique by the opponent (at, inter alia, Exhibits SP06, SP08, SP10).

24. The evidence shows use of the word SEPHORA and Sephora in plain text within the exhibits, for example in the reports and articles and in products descriptions. The advertising board for SEPHORA as displayed in Piccadilly Circus during October 2022 is evidenced at Exhibit SP25 (which I note was taken from a Facebook reel), as well as a screenshot showing the branding on a London taxi for promotional purposes (taken from an Instagram post). Ms Prunier states that the branding was added to 425 taxis in London, Birmingham, Manchester and Glasgow, and was on display during October - November 2022⁵:

⁵ See point 34 of WS1.

Facebook



Instagram



sephorauk • Follow
Original audio

sephorauk Start your engines... and join us at *the* destination for the unlimited power of beauty 🚗 We're revving up for our big moment, as we cut the ribbon on our first UK store. 📅 TODAY 🕒 Official opening at 11am 📍 Westfield London, Shepherd's Bush Let us know how you're joining us below 📍

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25. Examples of the mark as displayed on the shop fronts of UK stores in London, Manchester, Kent, Newcastle and Birmingham have also been provided, although I

note that not all of these stores were open during the relevant period (Exhibits SP21-SP22):

Exhibit SP21

Sephora Store, Westfield White City, Sheperd's Bush, London



Sephora Store, Westfield Stratford, London



26. In Exhibit SP02 (which is undated), there are further examples showing use of the mark as found on the goods being offered for sale online, with the website being directed towards the UK market, with the goods priced in pounds sterling. There are more examples shown at Exhibit SP09 of the www.sephora.co.uk website during the relevant period, provided through the extracts from the Wayback Machine. I note that some pages post-date the relevant period.⁶

Exhibit SP02

The screenshot shows the Sephora website interface. At the top, there is a search bar with the text "Search 25,000+ beauty products, 300+ brands". Below the search bar is a navigation menu with categories: Brands, New & Trending, Makeup, Fragrance, Skincare, Hair, Body, Offers, Sephora Collection, and MySephora. The main heading is "SEPHORA COLLECTION" with a sub-heading "An inspiring brand that is always on the move, introducing SEPHORA COLLECTION". Below this is a "Read more" link and a row of category buttons: Fragrance, Bath & Body, Accessories, Concealer & Foundation, Eyes, Face masks, Gifts and Kits, Good Skincare, Lips, Skin, Masks, and Serums. A filter bar is visible with options: SORT BY FEATURED, DEPARTMENT, BRAND, RANGE, and PRICE. Below the filter bar is a "Clear filters" button. The main content area displays five product cards, each with a product image, name, price, and an "Add to Bag" button. The products are:

Product Name	Price
SEPHORA COLLECTION Pumping Lip Serum Balm 15ml	£16.99
SEPHORA COLLECTION Recovery Firming Night Oil 30ml	£25.99
SEPHORA COLLECTION Pumping Booster Serum 30ml	£19.99
SEPHORA COLLECTION Pumping Day Cream - Plumps + Moisturizes 50ml	£19.99
SEPHORA COLLECTION Recovery Firming Night Cream - Regenerates + Firms 50ml	£20.99

⁶ Point 17 of WS1.

Exhibit SP09



SEPHORA COLLECTION Scented Body Mist 100ml Coconut

★★★★★ 4

£9.99



SEPHORA COLLECTION Cleansing Scalp Scrub - Cleanse + Purify 200 ml

★★★★★ 413

£15.99

https://www.sephora.co.uk/brands/sephora-collection/lips?_gl=1*u29v2y*_up*MQ*_ga*MjI0NjA5NjQ1LjE3Mzk0NjM3OTk*_ga_6QWJV69YYS*MTczOTQ2Mzc5OC4xLjEuMTczOTQ2NDI1OC4wLjAuMA..

Treat that special someone with Up to 25% off Fragrances, love from us | FREE Delivery on orders over £20*

SEPHORA

Search 25,000+ beauty products, 300+ brands

Stores & services Birmingham Bullring



Brands New & Trending Valentine's Day Makeup Fragrance Skincare Hair Body Offers Sephora Collection MySephora

Sephora / Sephora Collection / Lips

Sephora Collection Lips

SORT BY FEATURED DEPARTMENT GIFTS BRAND RANGE OFFERS PRICE PRODUCT OPTIONS

- SEPHORA COLLECTION Plumping Lip Serum Balm 15ml
★★★★★ 71
£16.99
- SEPHORA COLLECTION Cream Lip Stain Matte Liquid Lipstick 5ml
Bundle 40 options
★★★★★ 147
£13.99
- SEPHORA COLLECTION Outrageous plump effect gloss 5ml
Bundle 8 options
★★★★★ 705
£13.99
- SEPHORA COLLECTION Moisturizing Lip Balm 8h Hydration 3.5g Watermelon
★★★★★ 215
£4.99
- SEPHORA COLLECTION Better Balm Shiny Lip Oil 12ml
Bundle
£12.99

27. The mark has been registered as a figurative mark, as shown below:



I accept that, as outlined in *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22,⁷ the use of the mark in a different form may also constitute use of the mark as registered. I consider that the distinctive character of the mark as registered lies in the word SEPHORA, with its overall presentation, being the white lettering on a black background, adding little, if anything, to enhance its overall level of distinctiveness. I therefore consider that use of the plain word “SEPHORA/Sephora” within the evidence does not alter the distinctive character of the registered mark and may be relied upon. The same can be said for the use as shown on the packaging of the goods and as displayed on the shop fronts, shown above.

28. At this point, having dealt with the issue of variant use, I shall move on to consider the section 5(3) ground for the reasons I have already given.

Section 5(3)

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

“A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

[...]

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

⁷ At [13 – 15]. See also *Hyphen GmbH v EUIPO*, Case T-146/15, at [28-32].

cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

30. As noted previously, the earlier mark is a comparable mark created pursuant to section 7A of the European Union (Withdrawal) Act 2018, which gave effect to Article 54 of the Withdrawal Agreement. Paragraph 10 of Part 1, Schedule 2A of the Act is therefore relevant. It is as follows:

“(1) Sections 5 and 10 apply in relation to a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the reputation of a comparable trade mark (EU) falls to be considered in respect of any time before IP completion day, references in sections 5(3) and 10(3) to—

(a) the reputation of the mark are to be treated as references to the reputation of the corresponding EUTM; and

(b) the United Kingdom include the European Union.”

31. While there are references within the evidence to the reputation of the mark in the EU prior to IP completion day, it primarily focusses on the reputation within the UK following the relaunch, being post IP completion day.

32. The relevant case law can be found in the following judgments of the Court of Justice of the European Union (“CJEU”): Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oréal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Salomon*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that use of the latter will take unfair advantage of, or will be detrimental to, the distinctive character or the repute of the earlier mark; *L'Oréal v Bellure NV*, paragraph 44.

(g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77.

(h) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(i) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oréal v Bellure NV*, paragraph 40. The stronger the reputation of the earlier mark, the easier it will be to prove that detriment has been caused to it; *L'Oréal v Bellure NV*, paragraph 44.

(j) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in Page 59 of 76 particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oréal v Bellure*).

33. The relevant date for the assessment under section 5(3) is the filing date of the contested application, namely 5 June 2024. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the earlier mark is similar to the applicant's mark. Secondly, that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the later mark. Fourthly, assuming that the first three conditions

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

Similarity of the marks

34. Both the application mark and the earlier mark include the identical word “SEPHORA”. I will compare the marks in further detail later in this decision, but suffice to say there is sufficient similarity between the marks to meet this requirement.

Reputation

35. In *General Motors Corp v Yplon SA*, Case C-375/97, the CJEU held that:

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or services marketed, either the public at large or a more specialised public, for example traders in a specific sector.

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

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

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

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

36. Further to my earlier findings under paragraph 23 of this decision, I note the following:

- SEPHORA appeared as a sponsor in the Netflix TV series "Running Point", aired in February 2025. Although this comes after the relevant date, I would expect the programme to have been made some time beforehand and as such may cast light backwards on the marketing of the brand.⁸ That being said, given the global nature of Netflix, this alone is insufficient to demonstrate a reputation directly in relation to the UK public, although I consider that at least a proportion of viewers would have come from the UK. Further, I consider that sponsorship of such a programme could just as easily be made by an up-and-coming brand with little reputation as by an established brand. Therefore, I find this piece of evidence to be inconclusive.
- As mentioned earlier, the evidence includes various press articles and advertisements, such as those from several long-standing UK publications, including, inter alia, The Guardian, Marie Claire, Mirror, The Standard, Glamour, OK, The Independent and Mail Online (Exhibit SP17), which demonstrate substantial interest in the opening of SEPHORA stores in the UK. The articles also include reviews of some of the SEPHORA own-branded products, inter alia, its lip mask/lipstick, face mask, nail polish and false eyelashes. The exhibit also includes an article in The Standard dated 31 July 2023 which mentions that UK consumers "no longer need a trip to the US to stock up on Sephora's sought-after own brand collection"; and another article from the Independent, dated 25 April 2023, which lists the "10 best Sephora own-brand products" as being "the UK's favourite finds from the French beauty retailer".

⁸ *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch).

- In May 2023, SEPHORA partnered with BBC Three in its fifth season of the make-up show GLOW UP (Exhibit SP16). In WS1, Ms Prunier states that all of the competing make-up artists used SEPHORA branded products during the show.⁹ While no viewing figures have been provided, the evidence still shows exposure of the mark to a proportion of the relevant public, i.e. those with an interest in cosmetics.
- An article in Mirror, published on 17 May 2024 (exhibit SP24), states that the opening of Sephora’s store in Manchester saw beauty fans “queuing around the block and camping overnight”. At point 19 of WS1, Ms Prunier refers to an associated ITV News article which mentions that an estimated 3,000 people were waiting in the queue.
- Exhibit SP26 shows that SEPHORA won the award for “Speciality Retailer of the Year” in the “RETAIL WEEK AWARDS”, held in London on 20 March 2025, and which references the success of the business in the UK in the previous 12 months, i.e. 2024, and which includes the time before the application date of 5 June 2024. I acknowledge that some of this success will be attributed to the period after the relevant date, although I consider that this shows recognition of the brand within the retail industry as a whole, and that recognition will be in part prior to the relevant date. In making the award to Sephora, I note that the judges were impressed by the expansion of Sephora’s loyalty scheme in the UK and its “ability to capture attention” and to deliver a “flagship experience in any store”, with one judge commenting that “There is no retailer that has mastered the art of making stuff go viral more and getting new customer acquisitions through social media”.
- Exhibit SP28 comprises the results of a survey undertaken by third party ENOV, which is intended to demonstrate the level of recognition of the SEPHORA mark amongst the relevant public of the goods and services at issue. At point 37 of WS1, Ms Prunier states that whilst the survey was conducted between 6 January 2025 – 10 February 2025, the benchmark figures on page 1 are against the figures collated from 2024, and that page 1 identifies that “Total awareness” of the SEPHORA mark in the UK in 2024 was 53%. As such, I acknowledge that the overall figures will also include data from the five month period

⁹ At point 24.

immediately prior to the relevant date of 5 June 2024, although the percentage awareness figure relevant specifically to this five month period is unknown. I do not find this piece of evidence to be particularly compelling. Further, exhibit SP28 comprises one page only and in the Methodology Overview it states that “Fieldworks done from 31.01.22 to 11.03.22 (depending on country)”, rather than being collated from 2024, as stated in WS1:

SEPHORA AWARENESS

METHODOLOGY OVERVIEW:

- A 30-min online quantitative survey, done in 15 countries, by a market research agency, ENOV.
- 1500 interviewees/ country: a representative sample of women aged 15-65 y.o. who have purchased beauty products in the past 12 months (make-up/ Fragrance and/or Skincare).
- Fieldworks done from 31.01.22 to 11.03.22 (depending on the country)
- The sample has been weighted to ensure the representativeness of the sample of beauty products buyers in terms of age, region, etc.



37. The opponent has not provided details of turnover, marketing spend or market share for the UK and the evidence is somewhat limited to this extent. That being said, I would expect the costs involved with promoting the brand in Piccadilly Circus, as well as on taxis nationwide, to merit a substantial outlay and that the return for such expenditure would be rewarded by a degree of national recognition of the mark by the relevant public, being the general public with an interest in cosmetics. I note the nature of the various press articles which speak of the excitement of a potential return of SEPHORA to the UK, with the planned opening of several retail stores nationwide which have since been realised, as well as those articles which speak of the SEPHORA own-brand goods. Even prior to the relaunch, the publicity generated by the articles reinforces that there was a certain level of recognition of the mark by the relevant public in the UK in relation to both the goods and the services for which a reputation is claimed, namely “*Cosmetics; Make-up preparations; Grooming aids; Care preparations for the body*” in class 3 and its “*Retailing of toiletries, perfumery, cosmetics, make-up preparations, preparations for the cosmetic care of the face and body, hair care and beauty preparations*” in class 35.

38. Having assessed the overall picture painted by the evidence as a whole, taking into account the information derived from the press articles, as well as factoring in the number of UK followers of the SEPHORA brand on social media, the presence of

several retail outlets in the UK and its dedicated UK website, and its success as the “Speciality Retailer of the Year”, I conclude that, following its relaunch here and prior to the date of application of the contested mark, the opponent has quickly built up a moderate to strong reputation in relation to the services in class 35, as listed in the previous paragraph. While the evidence is slightly more limited in relation to the goods, it shows use of the own-brand goods in the BBC make-up show GLOW UP, as well as their availability through the sephora.co.uk website (as evidenced in exhibit SP07 and via the Wayback Machine in exhibit SP09). Taking this into consideration, alongside the reviews of the goods and the related UK press articles found in exhibit SP17 which mention the SEPHORA own-brand products, I find there to be a moderate reputation in the UK at the relevant date in relation to the class 3 goods.

Link

39. In assessing whether the public will make the required mental link between the marks, I must take account of all relevant factors, which were identified by the CJEU in *Intel* at paragraph 42 of its judgment. I shall consider each of them in turn.

The degree of similarity between the conflicting marks

40. It is clear from *Sabel BV v. Puma AG*, Case C-251/95 (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 in *Bimbo SA v OHIM* Case C-591/12P, that:

“34.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.”

41. 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.

42. The earlier mark comprises a stylised presentation of the word “SEPHORA”:



Earlier in this decision, at [28], I considered that the distinctive character of the earlier mark lies in the word “SEPHORA”, with the overall presentation of the mark as registered, being the white lettering on a black background, adding little, if anything, to enhance its overall level of distinctiveness. The applicant’s mark comprises the words “SEPHORA TOBACCO”, without any stylisation or additional elements. Given that the goods for which the applicant seeks protection under the mark are “*Cigarettes; Cigarettes containing tobacco substitutes, not for medical purposes; Flavourings, other than essential oils, for tobacco; Cigarillos; Cigars; Herbs for smoking; Tobacco*”, I consider the word “TOBACCO” to be descriptive of the type of goods to which the mark is to be applied, and therefore the distinctive and dominant element of the applicant’s mark is the word “SEPHORA”. I note that at point 2.1 of the counterstatement, the applicant admits to the descriptive nature of the word “TOBACCO”. It is well-established that the beginning of words tend to have more visual and aural impact than the ends,¹⁰ although I accept that this is not always the case. Visually, given the identity of the distinctive element “SEPHORA”, and its dominant position at the beginning of the applicant’s mark, coupled with the non-distinctive nature of the additional elements previously described, I find the competing marks to be visually similar to a high degree. Aurally, in whichever way the “SEPHORA” element in each mark is pronounced, it will be articulated in the same way in the applicant’s and the opponent’s marks. I consider that some consumers will not voice the descriptor “TOBACCO” in the applicant’s mark, rendering the marks

¹⁰ See, inter alia, *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02; *Trubion Pharmaceuticals, Inc. v OHIM*, Case T-412/08; and Case T-109/07 *L’Oréal v OHIM – Spa Monopole (SPA THERAPY)* [2009].

aurally identical. However, even where the applicant's mark is voiced in full, as "SEPHORA TOBACCO", I consider there to be at least a medium level of aural similarity between the marks. Conceptually, the applicant submits that the word "SEPHORA" is derived from "multiple linguistic and historical sources" and gives various examples within the counterstatement. The opponent has made no submissions on the possible interpretation of the word "SEPHORA". To my mind, while I acknowledge that there may be consumers who attach a particular meaning to the word, as suggested by the applicant, a significant proportion of the relevant public is unlikely to recognise any obvious conceptual content in the word "SEPHORA" and will instead perceive it as an invented word with no conceptual identity. As such, the overlapping element is conceptually neutral, while the additional word "TOBACCO", present only in the applicant's mark, will be perceived at face value, leading to a conceptual disparity between the marks as a whole.

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

43. Earlier in this decision, I found that the opponent enjoys a reputation in relation to all of the goods and services for which the mark is registered, being a variety of cosmetics and grooming products in class 3, and the retail thereof in class 35. The applicant seeks protection for a variety of tobacco-based products in class 34. The goods and services at issue are self-evidently dissimilar.

The strength of the earlier mark's reputation

44. As detailed in paragraph 38 of this decision, I find that the opponent has demonstrated that the earlier mark enjoyed a moderate reputation in the UK at the relevant date in relation to the class 3 goods, and a moderate to strong reputation in relation to the services in class 35.

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

45. 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).”

46. I have already said that I consider that a significant proportion of the relevant public will perceive the word “SEPHORA” as an invented word which neither describes, nor is allusive of, the goods and services to which it is applied. Consequently, I find the mark to be inherently distinctive to a high degree, which I find to be further enhanced through the use made of it, as outlined earlier in this decision.

Whether there is a likelihood of confusion

47. The respective goods and services of the parties are not similar. However, some marks are so highly distinctive and well known that there is likely to be some confusion

almost irrespective of the goods or services in relation to which they are used.¹¹ The users of the opponent's goods and services in classes 3 and 35 and the users of the applicant's goods in class 34 are all likely to be the general public (albeit adults over the age of 18 for the applicant's goods), and as such there is likely to be some overlap between users. While I do not consider there to be a likelihood of direct confusion between the marks, given the high degree of inherent distinctive character of the earlier mark, which I have already found would be perceived by a significant proportion of the relevant public as an invented word with no conceptual identity, I cannot discount a likelihood of indirect confusion amongst a section of the relevant public, i.e. that they would assume that the goods and services are derived from the same, or economically connected, undertakings.¹²

Conclusions on link

48. Due to the high degree of inherent distinctive character of the earlier mark, and the degree of the reputation enjoyed by it, I consider that "SEPHORA" is likely to be brought to mind and/or indirectly confused by the relevant public when encountering the applicant's mark "SEPHORA TOBACCO". The requisite link is established.

Damage

Unfair advantage

49. In its written submissions in lieu of a hearing, the opponent submits that use of the application in connection with the goods applied for would take unfair advantage of the reputation and distinctive character that exists in the earlier registration.¹³ It submits that the opponent "enjoys a very strong reputation in connection with beauty products and retail services thereof, which possess a level of quality that consumers would expect of the luxury goods industry which makes it easy for the Opponent to sell its goods and services". It submits that consumers would believe that the applicant's

¹¹ See *LAZARD CONSULTING* Case BL O-359-15, at [55].

¹² See *L.A. Sugar Limited v Back Beat Inc*, Case BL-O/375/10, at [16-17]; and *Liverpool Gin Distillery Ltd and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207.

¹³ At paragraph 29.

goods marketed under the applied for mark to possess the same qualities, making it easier for the applicant to sell its goods and effectively exploiting the “massive investment of time and money” spent by the opponent in developing the reputation and distinctive character of its brand, which would constitute unfair advantage.

50. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. (as he then was) considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, **there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.**” (My emphasis).

51. I consider that the applied for mark would gain a commercial advantage from the transfer of the image of the earlier trade mark to the later mark: see *Claridges Hotel Limited v Claridge Candles Limited and Anor*, [2019] EWHC 2003 (IPEC).

Detriment to reputation

52. At point 33 of the written submissions in lieu, and as already cited under paragraph 40(i) of this decision, the opponent reminds me that:

“Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such

a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oréal v Bellure NV*, paragraph 40. The stronger the reputation of the earlier mark, the easier it will be to prove that detriment has been caused to it; *L'Oréal v Bellure NV*, paragraph 44.”

53. The opponent submits that any use of the applicant’s mark in connection with the goods applied for would be detrimental to the reputation that the opponent enjoys in relation to products (or the retail thereof) that aid a beauty and skincare regime. The opponent submits that it is well documented that the goods applied for (i.e. various tobacco-based goods) are notoriously bad for beauty and skincare. This is supported by the witness statement of Liam Peters (“WS2”) and the accompanying exhibits LP07 and LP08 which respectively comprise articles from the NHS and “ash” (“action on smoking and health”), each of which highlight the negative impacts of smoking, including how smoking impacts physical appearance and damage to the skin by tobacco smoke. The opponent further submits that the goods applied for are notoriously bad for healthcare, especially in relation to cancer and as a result of the negative health effects, the goods have become socially unacceptable in the UK. For these reasons, it submits that any use of the applicant’s mark in connection with such goods would lead the average consumer to believe that the opponent is contributing to poor public health, a serious change in its ethical standards. As such, the opponent’s mark would become less attractive so consumers would be less likely to purchase the opponent’s goods and services.¹⁴

54. In its counterstatement, the applicant submits that the opponent “has failed to provide concrete evidence demonstrating that the Applicant’s use of the mark would cause a reduction in the economic value of their mark”. In *Aktieselskabet af 21. november 2001 v OHIM*, Case C-197/07P, the CJEU stated that:

“22. With regard to the appellant’s argument concerning the standard of proof required of the existence of unfair advantage taken of the repute of the earlier

¹⁴ At [34 – 36] of the written submissions in lieu of a hearing.

mark, it must be noted that it is not necessary to demonstrate actual and present injury to an earlier mark; it is sufficient that evidence be produced enabling it to be concluded prima facie that there is a risk, which is not hypothetical, of unfair advantage or detriment in the future (see, by analogy, concerning the provisions of Article 4(4)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), Case C-252/07 Intel Corporation [2008] ECR I-0000, paragraph 38).

55. Meanwhile, in *32Red Plc v WHG (International) Limited and others* [2011] EWHC 665 (Ch), Henderson J. held that a change in consumers' economic behaviour could be inferred from the inherent probabilities of the situation.

Conclusion on damage

56. I have found there to be an unfair advantage, with a likelihood of confusion on the part of consumers who believe there to be an economic connection between the opponent and the applicant, or that the applicant's goods come from the opponent. In my view, in the current climate, the negative impact of smoking would not be lost on the relevant public. I find that use of the applicant's mark for the goods applied-for is likely to have a detrimental effect on the reputation of the opponent's "SEPHORA" trade mark.

57. Consequently, I consider the claim under section 5(3) to be clearly made out and so succeeds in its entirety.

Due cause

58. I note that the opponent has pleaded that the application has been filed without due cause.¹⁵ In its counterstatement, the applicant merely states that "since the "SEPHORA" beauty brand has no direct association with tobacco, "SEPHORA TOBACCO" should be treated as a separate, legally distinct trade mark. However, the applicant has not claimed that it has due cause for using the sign.

¹⁵ See *Leidseplein Beheer BV v Red Bull*, Case C-65/12, at [44-45].

Section 3(6)

59. Section 3(6) of the Act states that:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

60. In *SkyKick UK Ltd & Anor v Sky Ltd & Ors (Rev1)* [2024] UKSC 36, Lord Kitchin summarised the general principles applicable to bad faith at [240] as follows:

“(i) [...]

(ii) The date for assessing whether an application to register [a] trade mark was made in bad faith is the date the application for registration was made (*Lindt*, para 35).

(iii) Bad faith in this context is an autonomous concept of EU law which must be given a uniform interpretation [...], and must be interpreted in the context of Directive 89/104 in the same manner as in the context of Regulation 40/94 (*[Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemaerker (C-320/12) EU:C:2013:435 (“Malaysia Dairy”)*], para 29; *[Sky plc v SkyKick UK Ltd (C-371/18) EU:C:2020:45 (“Sky CJEU”)*], para 73).

(iv) While, in accordance with its usual meaning in everyday language, the concept of bad faith presupposes the presence of a dishonest state of mind or intention, the concept must also be understood in the context of trade mark law, which involves the use of marks in the course of trade. Further, it must have regard to the objectives of the [...] law of trade marks, namely the establishment and functioning of [...] a system of undistorted competition in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable consumers, without any possibility of confusion, to distinguish those goods or services from those which have a different origin (*Lindt*, para 45;

[*Koton Mağazacılık Tekstil Sanayi ve Ticaret AS v European Union Intellectual Property Office (EUIPO)* (C-104/18) EU:C:2019:724 (“*Koton*”), para 45].

(v) Consequently, the objection will be made out where the proprietor made the application for registration, not with the aim of engaging fairly in competition but either (a) with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties; or (b) with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, and in particular the essential function of indicating origin (*Koton*, para 46; *Sky CJEU*, para 75).

(vi) The intention of the applicant is a subjective matter, but it must be capable of being established objectively by the competent administrative or judicial authorities having regard to the objective circumstances of the case ([*Hasbro Inc v EUIPO, Kreativni Dogaaji d.o.o. (intervening)* (Case T-663/19) EU:T:2021:211 (“*Hasbro*”), paras 39 and 40; *Koton*, para 47).

(vii) The burden of proving that an application for a registered mark was made in bad faith lies on the party making the allegation. But where the circumstances of the case may lead to a rebuttal of the presumption of good faith, it is for the proprietor of the mark to explain and provide a plausible explanation of the objectives and commercial logic pursued by the application for registration (*Hasbro*, paras 42 and 43).

(viii) Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all of the factors relevant to the particular case (*Lindt*, para 37).

(ix) The applicant for a trade mark is not required to indicate or to know precisely when the application is filed or examined, the use that will be made of it (*Sky CJEU*, para 76; [*AS v Deutsches Patent-und Markenamt* (C-541/18) EU:C:2019:725], para 22).

(x) Nevertheless, the registration by an applicant of a mark without any intention to use it in relation to the goods and services covered by the registration may constitute bad faith where there is no rationale for the application in the light of the aims referred to in Regulation 40/94 and Directive 89/104 (*Sky CJEU*, para 77).

(xi) Such bad faith may, however, be established only where there are objective, relevant and consistent indicia tending to show that, when the application was filed, the applicant for registration had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark (*Sky CJEU*, para 77).

(xii) It follows that the bad faith of the applicant cannot be presumed on the basis of a mere finding that, at the time of filing the application, the applicant had no economic activity corresponding to the goods and services referred to in the application (*Sky CJEU*, para 78).

(xiii) When the absence of an intention to use the mark in accordance with the essential functions of a trade mark concerns only certain goods or services referred to in the application for registration, that constitutes making the application in bad faith only in so far as it relates to those goods or services (*Sky CJEU*, para 81).

(xiv) If, at the end of the day, the court concludes that, despite formal observance of the relevant rules and conditions for obtaining registration, the purpose of the rules has not been achieved, and that there was an intention to take advantage of the rules by creating artificially the conditions laid down for obtaining the registration, this may amount to an abuse sufficient to find that the application was made in bad faith (see, for example, *Hasbro*, para 72).

(xv) Directive 89/104 does not preclude a provision of national law under which an applicant for registration must state that the mark is being used in relation to

the goods or services in relation to which it is sought to register the mark, or that the applicant has a bona fide intention that it should be used, provided that infringement of such an obligation cannot constitute a ground for invalidity. It may, however, constitute evidence for the purposes of establishing possible bad faith on the part of the applicant when the application was filed (*Sky CJEU*, paras 86 and 87).”

61. In the same case, Lord Kitchin also considered the question of what amounts to bad faith. He explained that the categories of bad faith and the circumstances which may constitute bad faith are not “closed”, and continued:

“152. In seeking to identify the relevant principles, it is necessary to have in mind two fundamental aspects of trade mark law to which I have already referred: first, it is concerned with the use of marks in trade to denote the origin of goods and services. Secondly, the aim of the trade mark regime is to contribute to a system of undistorted competition in which businesses are able to attract and retain customers by the quality of their goods and services, and for that purpose are able to have registered signs which enable consumers to distinguish the goods and services of one undertaking from those of another. Such a system must also provide an incentive and protection for the investment by a brand owner in the quality and other beneficial aspects of its goods and services, and so allow it to develop a goodwill in its business relating to their sale and supply.

153. Against this background, the essence of the objection that an application to register a mark was made in bad faith may be understood: it is that the motive or intention of the applicant was to engage in conduct that departed from accepted principles of ethical behaviour or honest commercial practices having regard to the purposes of the trade mark system which I have described. Whether the conduct was undertaken with that motive or intention and did indeed depart from such ethical behaviour or honest commercial practices must be assessed having regard to all the objective circumstances of the case: see, for example, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AS v European Union*

Intellectual Property Office (EUIPO) (C-104/18) EU:C:2019:724 ("Koton"), paras 46 and 47 [...]."

62. According to Mr Geoffrey Hobbs QC (as he then was), sitting as Appointed Person in *Alexander Trade Mark*, BL O/036/18, at [8], the key questions for determination in a claim of bad faith are as follows:

- (a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?
- (b) Was that an objective for the purposes of which the contested application could not be properly filed? And
- (c) Was it established that the contested application was filed in pursuit of that objective?

63. It is necessary to ascertain what the applicant knew at the relevant date.¹⁶ Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date.¹⁷ The relevant date for assessing bad faith is the date of application for the trade mark. The relevant date is therefore 5 June 2024. I will proceed to make my assessment with reference to the three questions set out above in *Alexander Trade Mark*.

What, in concrete terms, was the objective that the applicant has been accused of pursuing?

64. The opponent's pleaded case of bad faith is that "because of the worldwide fame of the opponent's SEPHORA mark", the applicant "would undoubtedly have had knowledge of the mark as well as the reputation and distinctive character connected to it."¹⁸ The opponent submits that the word SEPHORA is unique, with no meaning in

¹⁶ *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch).

¹⁷ *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

¹⁸ Point 28 of the Statement of Grounds.

the English language which supports the view that the mark was deliberately copied from the opponent, rather than created independently. The opponent therefore claims that the applicant's intention was to file a trade mark application with the purpose of appropriating the strong reputation and distinctive character attached to it. It further submits that the applicant is doing so in relation to goods that will deliberately harm the opponent's reputation in the SEPHORA mark owing to the negative health effects associated with the applicant's goods.

Was that an objective for the purposes of which the contested application could not be properly filed?

65. The mere fact that the applicant knew that another party used the trade mark in the UK does not establish bad faith: *Lindt, Koton* (paragraph 55). The applicant may have reasonably believed that it was entitled to apply to register the mark, e.g. where there had been honest concurrent use of the marks: *Hotel Cipriani SRL & Ors v Cipriani (Grosvenor Street) Limited & Ors* [2008] EWHC 3032 (Ch). However, an application to register a mark is likely to have been filed in bad faith where the applicant knew that a third party used the mark in the UK, or had reason to believe that it may wish to do so in future, and intended to use the trade mark registration to extract payment/consideration from the third party, e.g. to lever a UK licence from an overseas trader: *Daawat Trade Mark* [2003] RPC 11, or to gain an unfair advantage by exploiting the reputation of a well-known name: *Trump International Limited v DDTM Operations LLC* [2019] EWHC 769 (Ch).

66. I consider that filing an application with the intention of taking advantage of third party rights, and to gain an unfair advantage by doing so, is an objective under which an application could not be properly filed. Further, an application to register a mark in the UK is likely to have been filed in bad faith where the applicant was aware that a third party used that mark in the UK, or had reason to believe that it may wish to do so in the future, and intended to gain an unfair advantage by exploiting the reputation of a well-known name.¹⁹ As such, I consider that the objectives of which the applicant

¹⁹ *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch).

has been accused are those for which it may be found to have been acting in bad faith at the time of filing its application.

Was it established that the contested application was filed in pursuit of that objective?

67. I note that at point 49 of its written submissions in lieu of a hearing, the opponent claims that the applicant has not specifically denied the opponent's submissions that at the time of filing its application, the applicant must have had knowledge of the opponent's mark, as well as the distinctive character and reputation attached to it. I disagree with the opponent's submissions that, in accordance with Rule 16.5(5) of the Civil Procedure Rules, the applicant's blanket denial of all of the claims made against it means that it has not specifically denied the opponent's claim about the applicant's knowledge and that the opponent's claim under 3(6) should be treated as admitted. The Tribunal is not bound by the Civil Procedure Rules and it has accepted the general denial made in the applicant's notice of defence and of all the claims against it.

68. The opponent has filed evidence by way of four different decisions from other intellectual property offices. These all relate to claims against the applicant that it had filed applications in bad faith in the relevant jurisdictions. In each case, the relevant authority found that the applicant had filed the applications in bad faith. The opponent submits that the applicant's track record of bad faith trade mark filings supports its claim that the present application was filed with dishonest intentions, although it acknowledges that the previous decisions of other offices are not binding on this Tribunal.²⁰ In response to this evidence, the applicant submits that the mere existence of previous trade mark filings by its company does not prove bad faith in this case, and that five out of nine trademarks filed by the applicant in the UK obtained "registered" status.

69. I note that in all of the decisions referred to by the opponent and mentioned above, each of the cancellation applicants were active in the field of cigarettes and tobacco, and held rights in marks for such goods, and so operated in the same industry as the applicant. As such, I do not consider the circumstances to be on all fours with those

²⁰ Point 6 of the opponent's written submissions dated 22 April 2025.

before me where the opposing marks are in relation to a completely different set of goods and services, which earlier in this decision I considered to be dissimilar. I therefore do not consider that this is a case in which I have been given “similar fact evidence”.

70. Neither do I consider that the opponent’s evidence by way of exhibit LP05, as adduced alongside WS2, which purports to show the applicant’s website which contains images of products belonging to famous third party brand owners, to be of any probative value in relation to the opponent’s claim of bad faith in the present case.

71. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch).

72. Although the applicant has not filed any evidence, the burden of proof is on the opponent to establish a *prima facie* case of bad faith. In *Sivaratnam v Maya Appliances PVT Ltd*, BL O/0052/25, Mr Iain Purvis KC, sitting as the Appointed Person, said that all a party bringing a case of bad faith could be expected to do is to make inferences from objective facts and invite the other party to respond to them.²¹ In that case, which was an invalidation, a number of facts contributed to the establishment of a *prima facie* case of bad faith. These included the reputation of the earlier mark in India, the personal and business links of the proprietor to India, the absence of an obvious business interest on the part of the proprietor in the goods for which the contested mark was registered, the identity of the marks and the identity of the goods.

73. In the present case, the opponent has provided evidence of its own reputation in the UK and examples of four earlier instances in which, as I have already noted, both parties’ marks covered goods in Class 34.

²¹ Paragraph 27.

74. I do not consider this evidence to be sufficient to establish a *prima facie* case of bad faith, and the opposition based on section 3(6) fails accordingly.

CONCLUSION

75. The opposition has failed in relation to the claim of bad faith brought under section 3(6) of the Act.

76. The opposition brought under section 5(3) of the Act has succeeded in its entirety. Subject to any successful appeal, application No. UK00004060095 by Khairat Al Manafie Co For Transport And General Trading Ltd is refused.

COSTS

77. As the opponent has been largely successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice (“TPN”) 1/2023. I take into account the partial extent of the success, i.e. under the 5(3) grounds only, and discount the evidence filed to support the opposition under section 3(6), which is reflected in the costs awarded. Applying the guidance in the TPN, I consider the following to be fair:

Official fee:	£200
Preparing the notice of opposition, and considering the counterstatement:	£400
Preparing written submissions and evidence:	£1,000
Preparing written submissions in lieu of a hearing:	£400
Total:	£2,000

78. I therefore order Khairat Al Manafie Co For Transport And General Trading Ltd to pay SEPHORA the sum of £2,000. 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 19th day of February 2026

**Suzanne Hitchings
For the Registrar,
the Comptroller-General**