

O/0501/24

TRADE MARKS ACT 1994

TRADE MARK APPLICATIONS 3795351, 3796073, 3800697 & 3804673

BY VAPES-BARS LTD

AND

CONSOLIDATED OPPOSITIONS 436804 & 436806 – 436808

BY DIAMOND MIST LTD

BACKGROUND AND PLEADINGS

1. These are consolidated opposition proceedings brought by Diamond Mist Ltd (“DM”) against four applications by Vapes-Bars Ltd (“VB”) to register the four trade marks shown below in class 34:

<i>Trade Mark Application</i>	<i>Trade Mark</i>	<i>Filing date</i>
3795351	VAPES BARS DIAMOND	04/06/2022
3796073		07/06/2022
3800697	DIAMOND BAR 600	20/06/2022
3804673		30/06/2022

2. There are some variations between the specifications of goods of the four applications, but they are in substance for electronic cigarettes, vaping liquids and

related accessories, e.g. e-cigarette cleaners. The full specifications are set out in Annex A.

3. DM is the proprietor of trade mark 912750717, which consists of the words **DIAMOND MIST**. This is a 'comparable trade mark' created in accordance with withdrawal legislation enacted when the UK left the EU. It was applied for as an EU trade mark on 28th March 2014 and registered as such on 6th August 2014. Save for the proof of use requirements, to which I return below, the comparable mark is treated as though it has been registered in the UK throughout. It is therefore an 'earlier trade mark' (compared to the contested marks) under section 6 of the Act.

4. The earlier trade mark is registered in relation to:

Electronic shisha; electronic cigarette; solutions for electronic shisha; electronic smoking devices; refill cartridges, e-liquid, refill liquid for electronic smoking devices; disposable and non-disposable electronic shisha; disposable and non-disposable electronic cigarette, disposable and non-disposable electronic smoking devices; flavouring for electronic shisha.

5. According to DM, the contested marks are similar to the earlier mark, the respective goods are identical or highly similar, and there is a likelihood of confusion on the part of the public. Consequently, registration of the marks would be contrary to section 5(2)(b) of the Trade Marks Act 1994 ("the Act"), which states:

"(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."

6. Further, DM claims that the earlier mark has a reputation and that use of the contested mark, without due cause, would take unfair advantage of, and/or be detrimental to, the distinctive character and reputation of the earlier mark. Therefore,

registration of the contested marks would also be contrary to section 5(3) of the Act, which states:

“(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 the repute of the earlier trade mark.”

7. Additionally, DM claims:

- to have used the earlier mark throughout the UK since 2010 or 2011 and to have acquired goodwill under the mark;
- that use of the contested marks would constitute a misrepresentation that the user is connected to DM;
- that such a misrepresentation would damage DM’s goodwill.

8. Therefore, DM claims that VB’s use of the contested marks would amount to passing off. Consequently, registration of the marks would also be contrary to section 5(4)(a) of the Act, which states:

“5(4) At trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented—

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

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

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

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

9. VB filed counterstatements denying the grounds of opposition. I note, in particular, that VB:

- put DM to proof of use of the earlier registered trade mark;
- claimed that the words Diamond Mist mean “*a clear and colourless cloud of on tiny water droplets*” and the earlier mark is therefore descriptive and non-distinctive, or distinctive to only a low degree, of vaping products and e-cigarettes;
- denied that the marks are similar and there is a likelihood of confusion;
- denied that the earlier mark has acquired a reputation and put DM to proof of the same.

10. Both sides seek an award of costs.

REPRESENTATION

11. VB is represented by Forbes Solicitors LLP. DM is represented by Stobbs. A hearing was held via video link on 28th March 2024 at which Guy Tritton appeared as counsel for VB. Julius Stobbs appeared on behalf of DM.

THE EVIDENCE

12. DM’s evidence consists of a witness statement dated 3rd March 2023 by Sami Asghar Sheik. Mr Sheik is the General Manager of SRN Horizon Ltd, which he says holds an exclusive licence from DM to use the DIAMOND MIST trade mark. The purpose of Mr Sheik’s evidence is to show use of the earlier mark in the UK and elsewhere since 2013, and the publicity the brand has received.

13. VB’s evidence consists of a witness statement dated 10th May 2023 by its Managing Director, Adam Matiwala. The purpose of Mr Matiwala’s statement is:

- to explain the reasons VB adopted a trade mark including the word DIAMOND;
- to provide evidence that DIAMOND is commonly used in the vaping industry.

STATUS OF EU CASE LAW

14. 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.

PROOF OF USE OF THE EARLIER TRADE MARK

15. The relevant parts of section 6A of the Act are set out below:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(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 trademark 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.”

16. Section 100 of the Act is also relevant. It states:

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

17. The relevant five-year period in these proceedings varies slightly depending on the filing date of each of the opposed applications. However, it seems to be common ground that nothing turns on the small difference between the dates. It is sufficient to identify the relevant period as June 2017 to June 2022. As the earlier trade mark is a ‘comparable’ trade mark cloned from an EU registration when the UK left the EU, use of the mark anywhere in the EU prior to 31st December 2020 counts as use of the mark in the UK.¹

18. In *easyGroup Ltd v Nuclei Ltd & Ors*,² Arnold LJ summarised the law relating to genuine use as follows:

¹ Paragraph 7(3) of Schedule 1A of the Act

² [2023] EWCA Civ 1247

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark.

(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.

(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. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality.

(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. Internal use by the proprietor does not suffice. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter.

(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.

(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.

(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.

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use.

19. Mr Sheik's evidence is that DM and SRN Horizon Ltd are in common ownership. He says that:

"For 10 years, SRN has designed, engineered, manufactured, distributed and sold a market-leading range of vaping products across the world, including in the UK, under the sign DIAMOND MIST. SRN sells its products under the Registered Mark across the world, including throughout the UK... ."

And that:

"SRN started selling products bearing the Registered Mark from its websites diamondmist.co.uk and vapedistribution.co.uk in 2013 and 2014 respectively."

20. Extracts from the internet archive site WayBack Machine are in evidence.³ They consist of webpages from these sites dating from before and during the relevant period showing use of DIAMOND MIST in relation to e-liquids for vaping and (in one case in 2020) an electronic smoking device.

21. Mr Sheik continues at paragraph 10 of his statement, as follows:

³ See exhibit SAS1, pages 2-40

“During 2014, SRN expanded its business offering further when it started offering an international delivery service. SRN now ships products bearing the Registered Mark directly and indirectly to over 30 countries. An indication of the geographical scope of SRN's UK sales of products bearing the Registered Mark during the relevant period can be seen from the cities detailed on the delivery addresses on customer invoices at Exhibit SAS1/109-134. As can be seen from these addresses, SRN sells products bearing the registered Mark throughout the UK.”

22. Despite what Mr Sheik says, there are no customer invoices in evidence. Pages 112 - 119 of the exhibit to his statement consists of copies of 3 purchase orders for DIAMOND MIST e-liquids and smoking devices. They are all dated in 2013 (i.e. before the start of the relevant period). One is addressed to a customer in Dublin, another to a customer in Spain, and the third to a customer in Gwent, UK. Pages 122 – 127 of the exhibit consist of copies of invoices from DHL to SRN Horizon for delivering DIAMOND MIST products to customers. These are all dated in May 2014 (i.e. also before the start of the relevant period). They show multiple deliveries to addresses in Northern Ireland, as well as to the Isle of Man, Exeter, and other single deliveries to Canada and Latvia.

23. According to Mr Sheik:

“SRN [Horizon] promotes the Diamond Mist brand by offering incentive programmes for online-only retailers to carry a banner on their websites featuring the Registered Mark.”

And

“Product stands featuring products bearing the Registered Mark are also distributed to third party retailers for use in their stores.”⁴

And

⁴ An example is at page 177 of exhibit SAS1

“In addition to online advertising, SRN distributes a range of point-of-sale advertising to its wholesale customers, and in 2019 launched a major out-of-home advertising campaign on buses in London and Manchester to promote its products sold under the Registered Mark.”

24. The claim to have run a promotional bus campaign for DIAMOND MIST vaping products is supported by an invoice dated February 2019 from a graphic design company to SRN Horizon for £2.5k for creating the artwork for the campaign.⁵ Mr Sheik says that the bus campaign resulted in national headlines. Some of the press coverage is in evidence.⁶ Reports from, inter alia, Metro and the BBC show adverts for DIAMOND MIST on London buses accompanied by the words ‘Mo’s mad for menthol’ next to a picture of part of a face. The focus of the press coverage was on a complaint from the athlete Mo Farah that the advert wrongly suggested he endorsed the product. It appears that the Advertising Standards Authority upheld the complaint and banned further such advertisements.

25. Extracts from SRN Horizon’s social media accounts, including Instagram and Twitter, are also in evidence.⁷ They show frequent promotion of DIAMOND MIST e-liquids and e-smoking devices before and during the relevant period. The Instagram account has 4k followers, the other accounts have less than half that number.

26. Numerous customer reviews from Trustpilot are also in evidence. They cover the period between December 2020 and May 2022 (as well as later dates). Most are from UK customers. The ones dated 2nd January 2021, 29th March 2021, and 16th February 2022 expressly mention DIAMOND MIST as the brand for the products (as opposed to just DM being the supplier).

27. As regards sales volumes, Mr Sheik gives evidence at paragraph 21 of his statement, as follows:

“SRN’s sales of products bearing the Registered Mark can be split approximately 10% on electronic smoking devices and 90% on refill cartridges and liquid refills, and this percentage split has been consistent each financial

⁵ See page 127 of exhibit SAS1

⁶ See pages 169 – 172 of exhibit SAS1

⁷ See pages 41 – 91 of exhibit SAS1

year since SRN launched the Diamond Mist brand in 2013. Since 2017, SRN has sold over 100,000 units of e-liquids/refill cartridges per month in the UK under the Registered Mark, which were advertised with a recommended retail price of £2.99, amounting to over £3,500,000 in sales per year.”

28. After DM filed its evidence, the registrar wrote to VB on 18th March 2023 setting a period of two months for it “*to submit evidence and/or submissions, as appropriate.*”

29. No written submissions were filed.

30. Mr Matiwala’s evidence on behalf of VB was filed on 10th May 2023. It made no reference to Mr Sheik’s evidence and therefore made no attempt to controvert what he had said.

31. On 18th May 2023, the registrar wrote to DM giving it one month to decide if it wished to file evidence in reply to VB’s evidence. No reply was received, indicating that DM had elected not to do so.

The fairness of VB challenging Mr Sheik’s evidence for the first time through submissions at the hearing

32. Despite the absence of evidence contradicting what Mr Sheik had said, or any previous indication that parts of Mr Sheik’s statement were going to be challenged, VB’s skeleton argument for the hearing on 28th March 2024 included a wide ranging attack on the accuracy and reliability of his evidence. As regards paragraph 21 of Mr Sheik’s statement (set out at paragraph 27 above), counsel for VB submitted that this evidence should be rejected as “*wholly deficient.*” This was on the basis that:

(i) No records or accounts were provided to support the claimed turnover figure of 100k units per month.

(ii) The claimed figure was “*curiously vague*”: no figures were provided for the actual number of sales.

(iii) It is unclear what he meant by sales having been made “*under the Registered Mark*”. This could mean merely that there have been sales from the website diamondmist.co.uk.

(iv) It is unclear whether Mr Sheik’s reference to the “*Registered Mark*” is a reference to the words DIAMOND MIST as such, or use in the stylised form in which the words are shown in some of the exhibits to his evidence.

(v) Although Mr Sheikh says that the e-liquids/cartridges were advertised with a recommended retail price of £2.99 amounting to over £3.5million in sales per year, he does not provide the actual revenue achieved from products sold under the earlier mark. In this connection, it was pointed out that the Diamond Mist Order Form in evidence⁸ showed that retailers were charged £1 per unit, not £2.99. Further, although the evidence showed offers for sale of vape liquids to the public from the Diamond Mist website were made at £2.99, the evidence does not distinguish between the proportion of sales made directly to the public as compared to sales via retailers.

33. VB’s skeleton made a number of other criticisms of Mr Sheik’s evidence. These included:

(i) What Mr Sheik says about customer invoices showing sales throughout the UK is manifestly wrong because only one of the three purchase orders he exhibits is addressed to a customer in the UK. Further, all of these documents are dated from before the start of the relevant period for showing genuine use.

(ii) There are no other documents in the nature of sales invoices to customers.

(iii) There is no market share data.

(iv) There are no figures for the amount spent advertising and promoting goods under the earlier mark.

(v) Although there is some evidence of promotion via social media, some of the posts relied on are dated outside the relevant period, or are undated. Of the

⁸ See page 129 of exhibit SAS1

400 promotional posts made on Instagram, examination of the relevant pages of the exhibit shows only 180 of these were made during the relevant period.

(vi) Although SRN Horizon Ltd is said to be the exclusive licensee of VB, no documentary evidence of such a licence has been provided.

34. I was therefore invited to find that Mr Sheik's evidence was insufficiently solid to establish genuine use of the earlier mark during the relevant period, and to reject it as such.

35. DM's representative, Mr Stobbs, submitted that the overall story given by Mr Sheikh in his witness statement, which he pointed out is (or was previously) unchallenged, establishes that there was genuine commercial use of the earlier mark during the relevant period.

36. I was concerned about the timing and nature of the attack on Mr Sheik's evidence, particularly his evidence (1) about the volume of sales of DIAMOND MIST products during the relevant period, and (2) that sales having been made under the registered mark. It seemed to me that this attack was potentially unfair to the witness in circumstances where (1) no request was made to cross examine him, (2) no evidence had been filed which controverted what the witness had said, and (3) Mr Sheik had not been given notice that the accuracy and reliability of his statement was going to be challenged.

37. My concern was heightened by the relatively recent judgment of the Supreme Court in *TUI v Griffiths*⁹ which endorsed the general rule set in out in Phipson on Evidence. This is that:

"In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases..."

38. I subsequently wrote to the parties setting out my concern. I also drew the parties attention to the circumstances identified in paragraphs 61 – 67 of the judgment of the

⁹ [2023] UKSC 48. The case is ostensibly about expert witness evidence, but it is clear from paragraph 42 of the judgment that it is not limited to expert witnesses.

Supreme Court where previously unchallenged and uncontroverted evidence can properly be rejected, despite the absence of cross examination or prior notice. They include:

- (1) The challenge is directed at collateral or insignificant evidence.
- (2) The evidence is manifestly incredible.
- (3) The 'evidence' consists of a bold assertion without supporting reasons.
- (4) There is an obvious mistake on the face of the evidence, which includes internal inconsistency.

39. I recognised that what Mr Sheik said at paragraph 10 of his statement about sales invoices showing sales throughout the UK was an obvious mistake. However, I noted that there are other documents (delivery invoices) in the pages of the exhibit he refers to (at pages 122 – 127) of the exhibit which do show UK addresses. It was therefore possible that the witness may have meant *“that the delivery addresses on [purchase orders, delivery invoices and other documents] at Exhibit SAS1/109 -134”* show sales of products bearing the registered mark throughout the UK. The witness had not been given an opportunity to explain what he meant in paragraph 10 of his statement. In these circumstances, my provisional view was that it was unfair to call into question the accuracy of paragraph 21 of Mr Sheikh’s evidence based on the obvious mistake he made in paragraph 10.

40. I received further written submissions from counsel for VB. As he had at the hearing, Mr Tritton relied heavily on the decision of Mr Daniel Alexander Q.C. as the Appointed Person in *Awareness Limited v Plymouth City Council*.¹⁰ My attention was drawn, in particular, to paragraphs 19 and 22 of the decision where Mr Alexander stated:

“19. For the tribunal to determine in relation to what goods or services there has been genuine use of the mark during the relevant period, it should be provided with clear, precise, detailed and well-supported evidence as to the nature of that use during the period in question from a person properly qualified

¹⁰ BL O/236/13

to know. Use should be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned... .”

And

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

41. Counsel for VB clarified that the criticism made of paragraph 21 of Mr Sheik’s evidence was that it was a bare assertion with no supporting documents provided, although such documents were bound to exist. The connection being made with paragraph 10 of Mr Sheik’s statement was not just that there was an obvious mistake in that paragraph: it was that given that Mr Sheik’s statement at paragraph 10 was not supported by the documents he exhibited to support it, an inference should be drawn that the facts stated in paragraph 21 of his statement would not be supported by relevant documents, even if these had been exhibited.

42. VB suggests there is some tension between *TUI v Griffiths* and the observations of Daniel Alexander QC in *Awareness*. According to VB, the rule described in *TUI v Griffiths* should not apply “*with its full rigour*” to administrative tribunal proceedings such as the Registry where cross examination rarely happens. By contrast, the decision in *Awareness* was made with such proceedings in mind.

43. VB accepts that it is doubtful that one could in court proceedings reject the sworn testimony of a person that e.g. turnover was (say) £1million under the registered mark if there was no challenge by way of cross examination or at the least, notice given of the challenge to the evidence well before the hearing. Accordingly, VB understands the rule in *TUI v Griffiths* to mean that a court cannot be asked to disbelieve the bare evidence of a person without cross examination (or, I assume, evidence that contradicts what he or she says). In this respect, VB submits that *TUI v Griffiths* is consistent with the well-known decision of Richard Arnold QC as the Appointed Person in *Extreme TM*.¹¹ VB points out that the Appointed Person's decision in *Awareness* was made after the decision in *Extreme TM*. According to VB, this shows that the rules of evidence do not preclude challenges to the sufficiency of evidence of use being made for the first time through submissions at a hearing, at least in proceedings before the registrar.

44. As to the nature of VB's submissions, Mr Tritton clarified that the challenge to paragraph 21 of Mr Sheikh's evidence is not that he deliberately lied but rather that little or no reliance could be placed on what the witness said because of the lack of supporting documents, and also because of the obvious carelessness in which his witness statement had been prepared.

45. As to the reasons why no notice was given of the challenge to Mr Sheik's evidence, it was submitted that VB does not possess evidence which controverts his evidence, and it was not appropriate to include submissions about Mr Sheik's evidence in VB's factual evidence in response.

Analysis

46. I reject the submission that the basic tenants of the judgment of the Supreme Court in *TUI v Griffiths* should not be applied to proceedings before the registrar. This is because the court considered the rule set out in Phipson on Evidence necessary to ensure fairness.¹² Fairness is no less important in registry proceedings than in court proceedings. I also reject the submission that the rule is limited to belated accusations

¹¹ [2008] RPC 2

¹² See paragraph 52 of the judgment

that a witness is not telling the truth. In fact in giving the judgment of the court Lord Hodge stated¹³ that:

*“While many of the cases may have been concerned with challenges to the honesty of a witness, I see no rational basis for confining the rule to such cases or those analogous categories, such as allegations of bad faith or aspersions against a witness's character... .”*¹⁴

47. If there is a tension between the judgment of the UK's Supreme Court and that of the Appointed Person, there can be no doubt whose case law must take precedence. However, I do not consider there is any real tension between *TUI v Griffiths* and *Awareness*. The latter provides helpful general guidance as to how the registrar and users of the trade mark registration process should go about filing and assessing evidence of use in non-use cases. The case was not concerned with issues of procedural fairness. By contrast, *TUI v Griffiths* and *Extreme TM* are specifically about procedural fairness in the context of challenges made by way of submissions at a hearing to previously uncontroverted evidence.

48. The way the rules of evidence are applied must, of course, take account of the exceptions and alternatives to cross examination set out in *TUI v Griffiths*. They must also be adapted to recognise the specific procedural rules of this tribunal, which are not governed by the CPR. Instead, they are set out in the Trade Mark Rules 2008. Rule 64(3) of the Rules states that:

“(3) The general rule is that evidence at hearings is to be by witness statement unless the registrar or any enactment requires otherwise.”

49. Thus the Rules envisage a primarily written procedure for giving evidence, albeit with provision for hearings, cross examination and disclosure. As Mr Arnold (again as the Appointed Person) pointed out in *Brutt TMs*¹⁵ this has an important consequence, namely that:

¹³ At paragraph 43 of the judgment

¹⁴ See also paragraphs 52 and 55 of the judgment

¹⁵ [2007] RPC 19 at paragraph 23

“... in [Registry] proceedings such as these evidence is served sequentially and [in these circumstances] that giving a witness a proper opportunity to deal with a point will not necessarily require cross-examination.”

50. The rules of evidence plainly cannot preclude any criticism of a witness's evidence made for the first time at a hearing, or in written submissions in lieu of a hearing. To take an obvious example, there is nothing unfair about asking the tribunal to take into account the omission of customer invoices and/or UK sales and marketing figures in a party's evidence of use. After all, these are 'bread and butter' components of such evidence. No one can reasonably claim to have been ambushed by the other side pointing out at any stage that they have not been provided. In my view, the line to be drawn is between challenges to the sufficiency of the evidence and new last minute submissions that the narrative evidence of a witness with first-hand knowledge of the facts should be given less weight than it merits at face value because it is untrue or inaccurate.

51. I reject the submission that there was no (signposted) opportunity during the evidence rounds for VB to put Mr Sheik on notice that his evidence was going to be challenged. As explained in paragraph 28 above, on 18th March 2023 VB was specifically invited to file evidence and/or submissions in response to Mr Sheik's evidence. That was a clear opportunity for VB to file written submissions putting Mr Sheik on notice that his evidence was challenged as inaccurate and/or unreliable.

52. Of course, all of this is irrelevant if VB is right about the evidence at paragraph 21 of Mr Sheik's statement being bare assertion. This is one of the exceptions recognised in *TUI v Griffiths* where notice is not essential. I accept that an assertion such as *“I have made genuine use of the trade mark”* may properly be characterised as a bare assertion. However, as Mr Arnold pointed out in paragraph 31 of his decision in *Extreme TM*;

“A statement by a witness with knowledge of the facts setting out in narrative form when, where, in what manner and in relation to what goods or services the trade mark has been used would not.... constitute bare assertion.”

53. There will always be borderline cases between statements that amount to evidence and those which are mere assertion. I am aware that Thomas Mitcheson KC, as the Appointed Person, recently upheld a decision of the registrar to reject evidence of use of a trade mark consisting of a wholly unsupported statement that: “Average annual turnover of the card game ‘PILOW TALK’. £45,000, CLASS 28.”¹⁶ However, the more detailed a witness’s narrative evidence is the less likely it can be discounted as bare assertion. In my view, paragraph 21 of Mr Sheik’s statement falls on the right side of the line. This is because (1) Mr Sheik is in a position to give first hand evidence about the matter at issue, (2) his narrative statement is sufficiently clear and detailed to rise above bare assertion, and (3) it is consistent with the documents that are exhibited to Mr Sheik’s statement.

54. Although these documents do not include sales invoices to customers, they do include:

- (i) Purchase orders/delivery invoices from 2013/14;
- (ii) Historical UK web pages from the relevant period showing multiple offers to sell DIAMOND MIST e-liquids for vaping and (in one case in 2020) an electronic smoking device;
- (iii) At least 180 promotional posts on Instagram advertising DIAMOND MIST products during the relevant period, as well as promotion on Facebook and Twitter;
- (iv) Customer reviews of DIAMOND MIST products from people in the UK on Trustpilot covering the period December 2020 to May 2022 (and later dates), some of which expressly mention DIAMOND MIST as the brand for the products;
- (v) Evidence of a promotional campaign for DIAMOND MIST vaping products consisting of signage on buses in London and Manchester in 2019.

¹⁶ See BL O/1160/23

55. The absence of customer invoices, marketing spend figures, and market share data obviously weakens the weight that can be attached to Mr Sheik's evidence as to the extent of the reputation established under DIAMOND MIST. However, as Mr Alexander himself stated in *Awareness*, "*it is not strictly necessary to exhibit any particular kind of documentation*" provided the evidence as a whole establishes genuine commercial use of the trade mark, with the proprietor's consent, during the relevant period, in relation to the registered goods.

56. The submission that if documents had been filed to support Mr Sheik's statement about the volume of sales during the relevant period, they would not have done so, is pure speculation. I reject this submission.

57. I see little merit in VB's further challenges that (1) it is not clear what Mr Sheik means by sales of goods having been made "*under the Registered Mark*", and (2) there is no documentary evidence to support his evidence that the mark was used with the proprietor's consent.

58. As regards the form of use, Mr Sheik does indeed say that sales were made under the registered mark. Earlier in paragraph 21 he also refers to the sale of vaping liquids and e-smoking devices "*bearing the Registered Mark*" and says that the percentage split between sales of these products has been stable "*since SRN launched the Diamond Mist brand in 2013.*" It is true that the exhibits to Mr Sheik's statement show use of Diamond Mist in stylised forms. This is not surprising or suspicious. Very few word marks are used exactly as registered, which is usually in block capital letters. The various forms of use shown do not alter the distinctive character of the registered word mark. If VB really wanted to get to the bottom of exactly what Mr Sheik meant by sales having been made "*under the Registered Mark*," the proper course was to put that point to him, either in written submissions made at a point in the proceedings where he could provide further written evidence, or through cross examination.

59. The challenge, if that is what it is, about the lack of documentary support for Mr Sheik's claim that SRN Horizon uses the trade mark with the proprietor's consent appears even weaker. Apart from giving clear evidence that SRN Horizon uses the trade mark unless licence from the proprietor, the witness explains that the companies are in common ownership, and that the latter was set up to hold the IP rights. Unless

Mr Sheik is lying about all of this, it is difficult to see how this evidence could be rejected as insufficient to establish that SRN Horizon uses the mark with the proprietor's consent. VB has not said he is lying.

60. For these reasons, I find it was unfair for VB to ask me at the hearing to, in effect, give Mr Sheik's evidence less weight than it merited at face value, and to reject it as inaccurate and/or unreliable. If the belated criticisms of Mr Sheik's narrative evidence were such as to cast serious doubt on its reliability, I would have considered re-opening the evidence rounds to allow the witness to answer the criticisms, if he could. I do not consider that necessary. Taking Mr Sheik's statement at face value, and considering it alongside the exhibits to his statement, I find that his evidence shows genuine use of the DIAMOND MIST mark, during the relevant period, in relation to:

Electronic cigarettes; electronic smoking devices; refill cartridges, e-liquid, refill liquid for electronic smoking devices.

THE SECTION 5(2)(b) GROUND

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

The principles

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely

upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

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

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

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

Comparison of goods

62. VB accepts that if DM has shown genuine use of the earlier trade mark, then the respective goods are either identical or very similar. I find accordingly.

Average consumer and the selection process

63. The average consumer is anyone who is old enough to buy e-cigarettes and wishes to do so.

64. The selection process is likely to be primarily visual, from websites and shop displays. However, word of mouth orders and recommendations are also likely to play some part in the process. The way the marks look is therefore most important, but the way they sound must also be taken into account.

65. VB submits that the goods are selected by average consumers paying an average degree of attention. DM submits that the regularity of purchase and relatively low price of the goods, particularly liquid vape refills, points to a low degree of attention. There is nothing to suggest these goods are impulse purchases made without much attention at all. Nevertheless, I see some force in DM's submission. I find that relevant consumers are likely to pay a level of care and attention which is a little below 'average.'

Distinctive character of the earlier mark

66. In *Lloyd Schuhfabrik Meyer* 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).”

67. VB submits that DIAMOND is a laudatory sign, similar to bronze, silver, gold, and platinum, which conveys a message of luxury, quality and exclusivity. MIST is a cloud. Therefore, in the context of vaping, the words convey the meaning of a “cloud” (mist) of vape of superlative quality. Therefore, the earlier mark has a low degree of inherent distinctive character.

68. Further, VB submits that Mr Matiwala’s evidence shows that DIAMOND is in common use in the vaping trade and therefore lacking in distinctiveness.

69. DM disputes both submissions.

70. According to Collins Dictionary, DIAMOND is the name of a precious jewel, of items including such jewels, and a description of a shape and a suit of playing cards. There is no indication it has a common laudatory meaning similar to GOLD etc. By virtue of the image of a desirable precious stone, the word DIAMOND is likely to be perceived as alluding to (as opposed to describing) something desirable. Indeed, although he changed his position on this point at the hearing, in his skeleton argument

Mr Stobbs for DM submitted that DIAMOND “*alludes to positive characteristics*” albeit that it “*does not do so in a direct way.*”¹⁷

71. As to the claim that DIAMOND is commonly used in the vaping industry, Mr Matiwala provides internet links and pictures of four vaping products with names including the word ‘diamond’.¹⁸ Three of these are UK based websites, one of which shows prices in Sterling. However, as DM’s representative pointed out, none of these downloads are dated. Consequently, it is not clear if they existed at the dates of VB’s applications in June 2022 (“the relevant dates”). This evidence suggests that DIAMOND is a word that traders in the vaping industry are attracted to using, perhaps for its allusive quality. It does not show that DIAMOND was in common use in the industry at the relevant dates.

72. MIST means a large number of tiny droplets of water. It therefore strongly alludes to the colourless cloud of vapour exhaled when vaping. I consider it unlikely that an average consumer would understand the word combination DIAMOND MIST to convey a meaning as clear as “*a cloud (mist) of vape of superlative quality.*” Nevertheless, according to the usual rules of the language, DIAMOND appears to qualify MIST. The combination therefore conveys to average consumers the vague idea of a mist that is somehow diamond-like or has the qualities of a diamond.

73. I find that DIAMOND MIST has an average degree of inherent distinctive character in relation to vaping products.

74. Given that the common element between the marks is just the word DIAMOND, it is also necessary to assess the distinctive character of this word.¹⁹ In my view, whilst the word is not descriptive, it is allusive of desirability. It is also a single fairly commonplace word. I find it has a moderate (i.e. a bit below average) degree of distinctive character in relation to vaping products.

75. DM submits that DIAMOND MIST has acquired a greater degree of distinctive character as a result of the use made of it since 2013. The shortcomings in DM’s evidence mentioned above are particularly relevant to this submission. Although 100k

¹⁷ See paragraph 23 of DM’s skeleton

¹⁸ See exhibit AM1

¹⁹ *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person

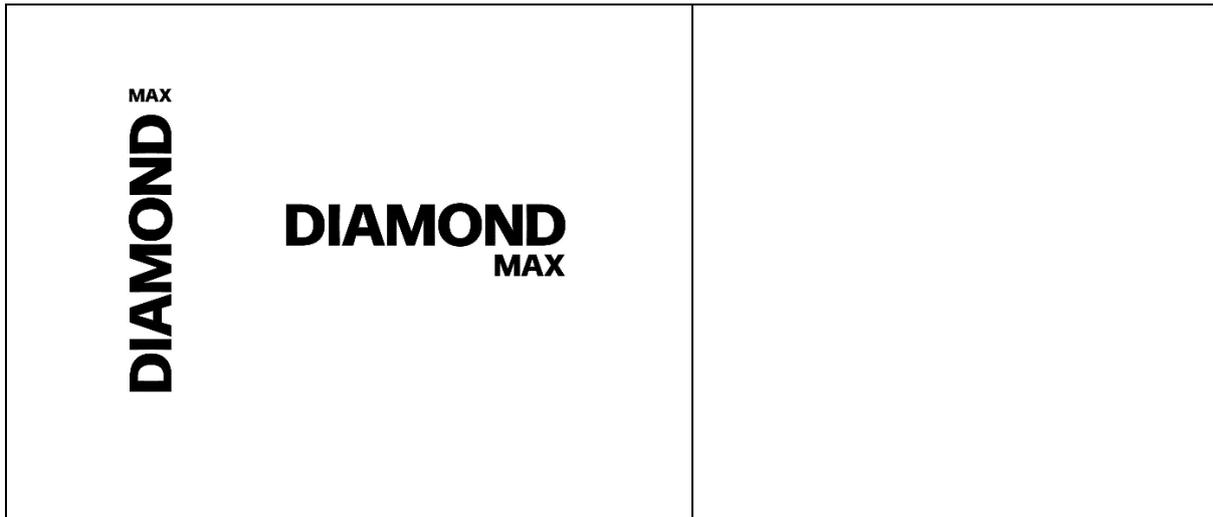
units per month sounds a lot, these are mostly regular repeat purchases for liquid vaping refills. Millions of people vape. Consequently, it is difficult to understand where DIAMOND MIST stands in the vaping market without data relating to the total market size and/or market share. The product appears to have been promoted primarily online through social media posts. As already noted, there is no evidence as to the amount spent promoting the mark. Admittedly, there is evidence of advertising on London buses. However, it is not clear how long this campaign lasted or how many buses carried the advertisement. The resulting press coverage seems to have been prompted not by the campaign itself but by Mo Farah’s complaint of false endorsement.

76. I find that the evidence of use of DIAMOND MIST shows some enhancement to the inherent distinctive character of the mark, but not enough to show that the earlier mark was highly distinctive at the relevant dates. The evidence does not show any enhancement to the distinctive character of the word DIAMOND alone.

Comparison of the marks

77. The respective marks are shown below.

<i>Contested marks</i>	<i>Earlier mark</i>
<p>VAPES BARS DIAMOND</p> <p>DIAMOND BAR 600</p> <p>PRO DIAMOND</p> <p>DIAMOND PRO</p>	<p>DIAMOND MIST</p>



78. DM submits that the marks are visually and aurally highly similar due to the word DIAMOND appearing as the first element of the earlier mark and all except the first of the contested marks - VAPES BARS DIAMOND. As regards this mark, DM contends that VAPES BARS is descriptive and so DIAMOND will strike the average consumer as the only distinctive element of the mark. Consequently, it too will appear highly similar to DIAMOND MIST from visual and aural perspectives.

79. DM submits that the marks are also conceptually similar to a high degree because the word 'diamond' is common to all the marks and would be understood as referring to the valuable gemstone. According to DM, the other elements of the contested marks are descriptive. Therefore, the meaning of those elements adds nothing to the conceptual comparison. DM accepts that the word MIST has a meaning which is absent from the contested marks, and that this reduces the level of conceptual similarity a little. Nevertheless, DM says the marks remain highly similar from a conceptual perspective.

80. VB submits that the marks are similar to only a low degree. In support of this submission VB points out that:

- (i) The second word in the earlier mark - MIST - is absent from the contested marks;
- (ii) The common word DIAMOND is but one of three words in VAPES BARS DIAMOND and DIAMOND BAR 600;

(iii) The figurative element of the DIAMOND PRO/MAX marks reduces the level of visual similarity to the words DIAMOND MIST;

(iv) The concept of a DIAMOND is not so strong as to dominate the conceptual comparison and mean that the marks are conceptually similar to a high degree.

81. I find that the absence of the word MIST, and the inclusion of the preceding words VAPES BARS, means that VAPES BARS DIAMOND is visually and aurally similar to DIAMOND MIST to only a low degree.

82. I find that the absence of the word MIST, and the inclusion of the following words BAR 600, means that DIAMOND BAR 600 is visually and aurally similar to DIAMOND MIST to a low-to-medium degree.

83. I find that the absence of the word MIST, the inclusion of the word PRO and the stylisation, means that the DIAMOND PRO mark is visually and aurally similar to the words DIAMOND MIST to a medium degree. I have taken into account that in the first iteration of the words, PRO appears to precede DIAMOND. However, depending on the position of the product when it is on (say) a shelf, the words may appear in use in a horizontal position. In this scenario consumers will perceive the words as DIAMOND PRO. In any event, the second iteration of the words is clearly DIAMOND PRO and this will reinforce this perception of the mark.

84. I find that the absence of the word MIST, and the inclusion of the word MAX, means that the stylised DIAMOND MAX mark is visually and aurally similar to the words DIAMOND MIST to a medium-to-high degree. I consider this mark to be the most similar to DIAMOND MIST because (1) the other word also begins with the letter 'M', (2) in each case the 'M' is followed by a vowel (albeit a different vowel), and (3) MIST and MAX are short words.

85. The meaning of the common word DIAMOND introduces a degree of conceptual similarity between the marks. However, this is offset by the absence of the meaning of MIST in the contested marks, and the meaning of the additional terms VAPES BARS, BAR 600, and PRO and MAX. It is true that the first three of these terms are descriptive of vaping products, and the other two are semi-descriptive laudatory words.

Nevertheless, they contribute something to the conceptual identity of the contested marks. In my view, none of the earlier marks are conceptually similar to DIAMOND MIST to more than a low to medium degree.

Likelihood of confusion

86. DM submits that taking account of the possibility of imperfect recollection, there is a likelihood of direct confusion between the DIAMOND MAX stylised marks and DIAMOND MIST.

87. I agree. The identity of the goods also makes this more likely. Further, even though the varying orientation and repetition of the words in the DIAMOND MAX mark provides a point of visual distinction, the visual stylisation is not very distinctive. Further, by reducing the relative size of the word MAX, it makes it easier for average consumers to mistake or mis-recall MAX for MIST.

88. For the avoidance of doubt, I would have reached the same conclusion even if I had found that average consumers pay a normal (as opposed to a little below average) degree of attention when selecting vaping products.

89. DM does not contend there is a likelihood of direct confusion between DIAMOND MIST and the other contested marks. Rather, DM submits that there is a plain case of a likelihood of indirect confusion with the VAPES BARS DIAMOND, DIAMOND BAR 600 and DIAMOND PRO mark. According to DM, average consumers would assume that there is a formal economic connection between the users of these marks and DIAMOND MIST.

90. DM likens the facts in this case to those in *Liverpool Gin Distillery Ltd v Sazerac Brands LLC*,²⁰ where this type of indirect confusion was found between the marks AMERICAN EAGLE and EAGLE RARE.

91. On behalf of VB, Mr Tritton submitted that the facts of this case were distinguishable from *Liverpool Gin*. He pointed out that there was evidence in that case that it was common practice for bourbons and whiskies to be marketed under marks

²⁰ [2021] EWCA Civ 1207

with a 'family' resemblance. Jack Daniels, Gentleman Jack and Winter Jack was cited as one example. The Famous Grouse, the Snow Grouse and the Black Grouse another. By contrast, there is no such evidence in this case. Moreover, DIAMOND is not a particularly distinctive term for vaping products. Therefore, there is no basis to infer that any marks incorporating that word identify DM's products.

92. The last point echoes one made by Mr Iain Purvis Q.C., as the Appointed Person in the well-known guidance provided in *L.A. Sugar Limited v By Back Beat Inc.*,²¹ where he 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).

²¹ Case BL O/375/10

(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)."

93. I agree with VB that DIAMOND is not so strikingly distinctive (either inherently or through use) that average consumers would assume that no-one else but the owner of DIAMOND MIST would be using it in a trade mark. It is true that the additions of VAPES BARS, BAR 600 and, to a lesser extent, PRO, might be classed as non-distinctive additions. This is because VAPES is obviously descriptive, the evidence indicates that BAR is used to describe an electronic smoking device, 600 is liable to be seen as designating the expected number of 'puffs' from an e-cigarette refill, and PRO is laudatory and therefore low in distinctiveness. However, it is important to keep in mind that these are not additions to DIAMOND MIST: they are additional elements to the word DIAMOND alone.

94. I see no logical basis for inferring that consumers will see VB's marks as logical brand extensions of DIAMOND MIST. The distinctive character of DIAMOND MIST depends as much on MIST as it does on DIAMOND. Therefore, omitting MIST is not logical. Further, there is nothing in the arrangement or presentation of VB's marks which adds to the case for finding that they are liable to be seen as brand extensions of DIAMOND MIST. I therefore reject DM's case on indirect confusion.

95. This means that the section 5(2) ground of opposition fails in respect of the contested marks, except for the DIAMOND MAX mark, where it succeeds in full on the basis of a likelihood of direct confusion.

THE SECTION 5(3) AND SECTION 5(4)(a) GROUNDS

96. Having heard Mr Stobbs present DM's case, I indicated at the hearing that these grounds would not succeed where the section 5(2) ground fails. These are my reasons for coming to that conclusion.

97. The essential requirements of the law of passing off are well established and not in dispute. Essentially, DM must satisfy me that:

(1) It had goodwill in the UK under DIAMOND MIST by the relevant dates in relation to the goods it claims;

(2) Use of VB's mark in relation to the goods in class 34 covered by VB's applications would constitute a misrepresentation to the public that the user of that mark is, or is connected to, DM leading to deception or a likelihood of deception; and

(3) Substantial damage would be done to DM's goodwill as a result of the misrepresentation.

98. I accept that DM had the requisite goodwill by the relevant dates under the mark DIAMOND MIST, in relation to the goods specified in paragraph 60 above, to bring an action for passing off.

99. For the reasons given in relation to the section 5(2) ground, I find that use of the DIAMOND MAX mark would amount to a misrepresentation to the public, and that this would be likely to damage DM's goodwill.

100. For the reasons given in relation to the section 5(2) ground, I find that use of the other contested marks would not amount to a misrepresentation to the public. Consequently, such use would not cause any damage to DM's goodwill.

101. In reaching these findings I have not overlooked the potential differences between the common law on misrepresentation and the test for a likelihood of confusion under section 5(2) of the Act. However, I find that on the facts of this case the result is the same.

102. The relevant case law under section 5(3) can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case C-252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and*

Spencer v Interflora and Case C-383/12P, *Environmental Manufacturing LLP v OHIM*.

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 Saloman*, 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'Oreal 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 and *Environmental Manufacturing*, paragraph 34.

(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 of the earlier mark; *L'Oreal 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'Oreal 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 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'Oreal v Bellure*).

Reputation

103. For the reasons given in paragraphs 75 and 76 above, I find that although DIAMOND MIST must have been known at the relevant dates to a substantial number

of customers for vaping products, DM has not established that these amounted to a significant part of the relevant public. Consequently, the section 5(3) case falls at the first hurdle.

Link

104. In case I am wrong about that I will briefly consider whether the relevant public would make a link between DIAMOND MIST and the contested marks.

105. My assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

106. This is set out in paragraphs 77 – 85 above.

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

107. It is common ground that the parties' goods are identical or highly similar.

The strength of the earlier mark's reputation

108. If the earlier mark has a qualifying reputation, it is a relatively modest one.

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

109. This is set out in paragraphs 66 – 76 above.

Whether there is a likelihood of confusion

110. There is a likelihood of confusion between DIAMOND MIST and the DIAMOND MAX mark. There is no likelihood of confusion with any of the other contested marks.

Conclusion on link

111. The relevant public would make a link between DIAMOND MIST and the DIAMOND MAX mark.

112. The relevant public would not make a link of any kind between DIAMOND MIST and any of the other contested marks.

Unfair advantage/detriment to distinctive character – DIAMOND MAX mark

113. If DIAMOND MIST has a qualifying reputation, my finding that there is a likelihood of confusion indicates that the DIAMOND MAX mark would take unfair advantage of it.

Unfair advantage/detriment to distinctive character – VAPES BARS DIAMOND, DIAMOND BAR 600, and the DIAMOND PRO mark

114. Even if the relevant public made a link with these marks, there would be no unfair advantage or detriment. This is because any such link would be so fleeting and weak that it would not cause any damage to the reputation or distinctive character of DIAMOND MIST, or take unfair advantage of any reputation it has. Indeed, it seems a stretch to suggest that use of the contested marks will “*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*” in circumstances where the proprietor of the earlier mark has not provided information about the amount spent marketing goods under DIAMOND MIST, and what evidence there is suggests that its marketing efforts have been quite modest.

OVERALL RESULT

115. The section 5(2)(b) ground of opposition to the DIAMOND MAX mark succeeds in full.

116. The section 5(4)(a) ground of opposition to the DIAMOND MAX mark succeeds to the same extent. Consequently, application 3796073 will be refused.

117. All the grounds of opposition fail in respect of VAPES BARS DIAMOND, DIAMOND BAR 600, and the DIAMOND PRO mark. Consequently, applications 3795351, 38006973 and 804673 will proceed to registration.

COSTS

118. VB has been more successful than DM and is therefore entitled to a contribution towards its costs. Taking into account that DM's opposition to the DIAMOND MAX mark succeeded, I assess the appropriate contribution as follows:

Considering the grounds of opposition and filing three counterstatements - £450

Filing evidence and considering DM's evidence - £750

Taking part in the hearing and considering DM's skeleton argument - £800

119. I therefore order Diamond Mist Ltd to pay Vapes-Bars Ltd the sum of £2000. This sum to 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 31st day of May 2024

Allan James
For the Registrar

Annex A

<i>Trade Mark</i>	<i>List of goods</i>
3795351	Electronic cigarettes; Electric cigarettes [electronic cigarettes]; Electronic cigarette atomizers; Liquids for electronic cigarettes; Liquid for electronic cigarettes; Refill cartridges for electronic cigarettes; Liquid nicotine solutions for electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Liquid solutions for use in electronic cigarettes; Electronic cigarette liquid [e-liquid] comprised of flavourings in liquid form used to refill electronic cigarette cartridges; Electronic cigarette liquid [e-liquid] comprised of flavorings in liquid form used to refill electronic cigarette cartridges; Liquid nicotine solutions for use in electronic cigarettes; Flavorings, other than essential oils, for use in electronic cigarettes; Electronic cigarette cleaners; Electronic cigarette cartomizers; Electronic cigarette boxes; Electronic cigarette cases; Cases for electronic cigarettes; Holders for electronic cigarettes; Cartridges for electronic cigarettes; Smoking sets for electronic cigarettes; Replaceable cartridges for electronic cigarettes; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Electronic cigarette liquid [e-liquid] comprised of propylene glycol; Personal vaporisers and electronic cigarettes, and flavourings and solutions therefor; Flavourings, other than essential oils, for use in electronic cigarettes.
3796073	Electronic cigarettes.
3800697	Electronic cigarettes; Electric cigarettes [electronic cigarettes]; Electronic cigarette atomizers; Electronic cigarette cartomizers; Electronic cigarette boxes; Electronic cigarette cases; Liquids for electronic cigarettes; Liquid for electronic cigarettes; Cartridges for electronic cigarettes; Refill cartridges for electronic cigarettes; Liquid nicotine solutions for electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Liquid

	<p>solutions for use in electronic cigarettes; Electronic cigarette liquid [e-liquid] comprised of flavourings in liquid form used to refill electronic cigarette cartridges; Electronic cigarette liquid [e-liquid] comprised of flavorings in liquid form used to refill electronic cigarette cartridges; Liquid nicotine solutions for use in electronic cigarettes; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Electronic cigarette liquid [e-liquid] comprised of propylene glycol.</p>
3804673	<p>Electronic cigarettes; Oral vaporizers for smokers; Vaporizers for smoking purposes; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Electronic cigarette liquid [e-liquid] comprised of propylene glycol; Electronic cigarette liquid [e-liquid] comprised of flavorings in liquid form used to refill electronic cigarette cartridges; Electronic cigarette liquid [e-liquid] comprised of flavourings in liquid form used to refill electronic cigarette cartridges; Liquid for electronic cigarettes; Liquids for electronic cigarettes.</p>