O-0798-23

TRADE MARKS ACT 1994

IN THE MATTER OF

TRADE MARK APPLICATION NO 3599550

BY

NMS MANAGEMENT, LLC

TO REGISTER

GHOSTDANCER CBD

AS A TRADE MARK IN CLASSES 1, 3, 5 & 30

AND

OPPOSITION THERETO (UNDER NO. 425873)

BY

GHOST FRAGRANCES LIMITED

BACKGROUND

1) On 23 February 2021, NMS Management, LLC ('the applicant') applied to register GHOSTDANCER CBD as a trade mark, in the UK, in respect of goods in classes 1, 3, 5 and 30. For present purposes, and for the reasons given below, it is necessary only to set out the goods in classes 3 and 5, which are:

> **Class 3:** Bath crystals containing cannabidiol (CBD), all of the foregoing containing or derived from hemp or cannabis with a delta-9 THC concentration of not more than 0.3 percentage on a dry weight basis.
> **Class 5:** Topical products containing cannabidiol (CBD), namely, skin creams, lotions, gels, salves, balms and ointments for analgesic purposes, all of the foregoing containing or derived from hemp or cannabis with a delta-9 THC concentration of not more than 0.3 percentage on a dry weight basis.

2) The application was published in the Trade Marks Journal on 30 April 2021 and notice of opposition was later filed by Ghost Fragrances Limited ('the opponent'). The opponent claims that the trade mark application offends under section 5(2)(b) of the Trade Marks Act 1994 ('the Act'). The opposition is directed against the goods in classes 3 and 5 only.

3) In support of its opposition, the opponent relies upon the following trade mark registration and all of the goods covered by it:

- **UKTM 3251270**

GHOST

> **Class 3:** Perfumery; perfumes; fragrances; aftershaves; milks, oils, creams, gels, powders and lotions; cosmetics; cosmetic kits; eau de cologne; toilet water, essential oils; fake nails and eyelashes; anti-perspirants; deodorants for personal use; toilet preparations; preparations for the care of the skin,

scalp and the body; sun tanning preparations; preparation for reinforcing and strengthening nails; preparations for use in the shower and the bath; soaps; toilet soaps; preparations for toning the body; hair preparations and treatments; hair colouring preparations; hair sprays; hair mist; hair fragrance mist.

Filing date: 18 August 2017
Date of entry in register: 10 November 2017

4) It is claimed that the respective goods are either identical or similar and that the respective marks are similar such that there exists a likelihood of confusion.

5) The trade mark relied upon by the opponent is an earlier mark, in accordance with section 6 of the Act. As it had not been registered for five years or more at the filing date of the application, it is not subject to the proof of use conditions as per section 6A of the Act.

6) The applicant filed a counterstatement, denying the opponent's claims.

7) Only the opponent filed evidence, which consists of the witness statement of Mr Christopher Morgan and 3 exhibits thereto. A hearing took place before me on 09 May 2023 where the applicant was represented by Mr Philip Harris of Lane IP Limited and the opponent was represented by Mr Christopher Morgan of Taylor Wessing LLP.

DECISION

8) Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. As the provisions of the Act relied upon in these proceedings are derived from an EU Directive, I will, therefore, take account of trade mark case law of the EU courts.

9) Section 5(2)(b) of the Act states:

"5. - (2) A trade mark shall not be registered if because –

(a)….

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

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

5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

10) The leading authorities which guide me are from the Court of Justice of the European Union: *Sabel BV v Puma AG,* Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc,* Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV,* Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM,* Case C-334/05P and *Bimbo SA v OHIM,* Case C-591/12P.

The principles

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

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

chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

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

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

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

Comparison of goods

11) All relevant factors relating to the goods should be taken into account when making the comparison. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU, Case C-39/97, stated at paragraph 23 of its judgment:

> "In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary."

12) Guidance on this issue has also come from Jacob J where, in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, the following factors were highlighted as being relevant:

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

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

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

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

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

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

13) In *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM* Case T-133/05) ('*Meric*'), where the General Court held that:

"29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedial v OHIM – France Distribution (HUBERT) [2002] ECR II-5275,paragraphs 43 and 44; and Case T-10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42)."

14) The goods to be compared are:

Opponent's goods	Applicant's goods
Class 3: Perfumery; perfumes; fragrances; aftershaves; milks, oils, creams, gels, powders and lotions; cosmetics; cosmetic kits; eau de cologne; toilet water, essential oils; fake nails and eyelashes; anti-perspirants; deodorants for personal use; toilet preparations; preparations for the care of the skin, scalp and the body; sun	**Class 3:** Bath crystals containing cannabidiol (CBD), all of the foregoing containing or derived from hemp or cannabis with a delta-9 THC concentration of not more than 0.3 percentage on a dry weight basis.

tanning preparations; preparation for reinforcing and strengthening nails; preparations for use in the shower and the bath; soaps; toilet soaps; preparations for toning the body; hair preparations and treatments; hair colouring preparations; hair sprays; hair mist; hair fragrance mist. (my emphasis)	**Class 5:** Topical products containing cannabidiol (CBD), namely, skin creams, lotions, gels, salves, balms and ointments for analgesic purposes, all of the foregoing containing or derived from hemp or cannabis with a delta-9 THC concentration of not more than 0.3 percentage on a dry weight basis. (my emphasis)

15) The applicant's goods in class 3 are identical to the opponent's 'preparations for use in the shower and the bath' on the *Meric* principle.

16) Turning to the applicant's goods in class 5, the opponent's best case lies with its 'preparations for the care of the skin' in class 3. At the hearing, Mr Morgan contended that the respective goods are identical. Mr Morgan's (very thin) evidence is intended to support this contention. However, this evidence does no more, in my view, than to show that the respective goods may be sold through the same outlets which is only one of the relevant factors in assessing the similarity of the respective goods[1]. I will return to this point below when assessing the similarity between the respective goods.

17) In reaching a finding as regards the similarity between the applicant's class 5 goods with the opponent's goods in class 3, I bear in mind that it is permissible to take account of the class number when construing the meaning of a term where its meaning is not sufficiently clear and precise[2]. The opponent's term 'preparations for the care of the skin' is not, in my view, sufficiently clear and precise to identify a

[1] Exhibit 2
[2] As per *Pathway IP Sarl v Easygroup Ltd* [2018] EWHC 3608 (Ch) and *Altecnic Ltd's Application* [2001] EWCA Civ 1928

specific category or sub-category of goods. It could mean cosmetic preparations or it could mean medicinal/analgesic preparations. Although both of those kinds of products can be described as 'preparations for the care of the skin', they are not the same kind/category of product as each other. The opponent's 'preparations for the care of the skin' is, therefore, too broad in meaning to clearly, and precisely, identify a specific product for a particular purpose and, as such, it is appropriate to rely upon the class number to construe the meaning of the opponent's term in class 3 as per *Pathway IP Sarl v Easygroup Ltd*.

18) Adopting the above approach, the meaning of the opponent's 'preparations for the care of the skin' within the context of class 3 does not include goods for analgesic purposes; rather, by virtue of being in class 3, they must be for cosmetic purposes. Contrastingly, the applicant's goods in class 5 are all for 'analgesic purposes' (as clearly indicated in the applicant's specification); they will be applied to the skin to relieve pain. I therefore find that the respective goods are not identical because their respective core purpose is not the same. That difference in purpose means that there is also unlikely to be any real competitive relationship between the relevant goods and neither are they complementary. There is, though, overlap in nature (both parties' goods being in the form of creams, lotions, gels, salves and balms and possibly sharing some of the same/similar ingredients, including cannabidiol/other derivatives of cannabis) and methods of use (they will all be applied to the skin) and their trade channels are likely to be the same, such as through pharmacies of the kind shown in the opponent's evidence. The evidence does not, however, satisfy me that the respective goods are likely to be commonly or typically sold in close proximity. In this connection, I note that the Boots website, for example, shown in the opponent's evidence appears to list analgesic and cosmetic goods under different sections of the website; analgesic goods are listed under the 'health and pharmacy section' whereas cosmetic creams/lotions etc. (including those which may contain cannabidiol/hemp, but which are not for analgesic purposes) are listed under the 'beauty and skincare' cosmetic section. Similarly, the Superdrug website shows that analgesic goods are listed under the 'Health/pain relief' section whereas cosmetic creams (including those that may contain cannabidiol/other cannabis derivatives, but which are not for analgesic purposes) are listed under the

'skin/skin care' cosmetic section[3]. Bearing this in mind, it seems a reasonable inference to me, to conclude that those goods are also unlikely to be stocked in particularly close proximity in a bricks and mortar store. Taking into account all of those factors, I find a medium degree of similarity between the applicant's goods in class 5 and the opponent's 'preparations for the care of the skin' in class 3.

Average consumer and the purchasing process

19) It is necessary to determine who the average consumer is for the respective goods and the manner in which they are likely to be selected. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

The average consumer for the relevant goods is the general public. The purchasing act will be primarily visual on account of the goods being commonly purchased after perusal of racks/shelves in retail establishments or from photographs on Internet websites. However, that is not to say that the aural aspect should be ignored, since the goods may sometimes be the subject of discussions with retail staff, for example. Although factors such as scent, suitability for skin-type and/or consistency may be taken account of by the consumer for all of the relevant goods, none are likely to be particularly costly and all are likely be purchased reasonably frequently. However, a further factor which may be taken into consideration in relation to the contested goods in class 5 is the analgesic properties of the goods, whether they are suitable

[3] Exhibit 2

for the particular pain being experienced and any possible side-effects. Bearing in mind all the aforesaid, I find that the degree of attention paid to the respective goods in class 3 is likely to be fairly low, but I would expect the degree of attention paid to the purchase of the contested goods in class 5 to be slightly higher, at around a medium level.

Comparison of marks

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

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

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

21) The marks to be compared are:

Opponent's mark	Applicant's mark
GHOST	GHOSTDANCER CBD

The opponent's mark consists of the single word 'GHOST', presented in a very simple standard-like font. The overall impression lies in the word itself. The applicant's mark consists of the word 'GHOSTDANCER' followed by the letters 'CBD' without any embellishments or stylisation. I would expect the latter three letters, in the context of use in relation to goods containing cannabidiol, to be understood by the consumer as being an abbreviation for the same substance. The 'CBD' element, although not negligible, is therefore non-distinctive and carries little weight in the overall impression. It is the 'GHOSTDANCER' element which strongly dominates the overall impression of the applicant's mark.

22) Visually, both marks contain the word 'GHOST'. That word constitutes the entirety of the opponent's mark and the first part of the applicant's mark. However, 'GHOST' is also conjoined with the word 'DANCER' in the contested mark and followed by the letters 'CBD' which are both absent from the earlier mark. Overall, and whilst I bear in mind the general rule of thumb that it is the first part of a mark that will tend to have the greatest impact upon the perception, I find a medium degree of visual similarity between the marks.

23) Aurally, the opponent's mark will be pronounced G-OAST and the applicant's mark as G-OAST-DANS-AH-SEE-BEE-DEE or G-OAST-DANS-ER-SEE-BEE-DEE. Accordingly, in the event that the whole of the applicant's mark is pronounced, it consists of six syllables in total, the first of which is identical to the single syllable of the earlier mark but the remaining syllables are entirely absent from the earlier mark. In those circumstances, there is a low degree of aural similarity between the marks overall. However, in the event that the letters 'CBD' are not articulated, I find a medium degree of aural similarity overall, bearing in mind the identity between the respective first syllables and the absence of the second and third syllables of the applicant's mark from the earlier mark.

24) Conceptually, GHOST is a very well-known word with an immediately graspable meaning of a spirit/apparition. The earlier mark evokes the idea of a spirit/apparition *per se* whereas the contested mark evokes the idea of a dancing spirit/apparition. The letters 'CBD' will merely indicate to the consumer that the goods contain cannabidiol and therefore those letters do not evoke any distinctive concept. I find a medium degree of conceptual similarity between the marks.

Distinctive character of the earlier mark

25) The distinctive character of the earlier mark must be considered. The more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). 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 *WindsurfingChiemsee* 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)."

The earlier mark is neither descriptive nor allusive in relation to any of the earlier goods. I find it to be possessed of a normal degree of inherent distinctiveness. There is no evidence before me to indicate that its inherent degree of distinctiveness has been enhanced through use.

Likelihood of confusion

26) I must now feed all of my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors: i) the interdependency principle, whereby a lesser degree of similarity between the goods may be offset by a greater similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*); ii) the principle that the more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and; iii) the factor of imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V).*

27) The respective goods in class 3 are identical and the contested goods in class 5 are similar to a medium degree to the earlier goods. The marks are visually similar to a medium degree. Aurally, the marks are either similar to a low degree (if the entirety of the applicant's mark is articulated) or to a medium degree (if only the GHOSTDANCER part of the applicant's mark is articulated). Conceptually, the marks are similar to a medium degree. The earlier mark also has a normal degree of distinctiveness. Taking all of these factors together, I do not consider that the average consumer is likely to mistake one mark for the other, notwithstanding that the degree of attention may be fairly low for certain of the goods (thereby increasing the effects of imperfect recollection). There is no likelihood of direct confusion.

28) I now turn to consider the likelihood of indirect confusion. In this connection, I bear in mind that in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

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

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

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ('26 RED TESCO' would no doubt be such a case).
(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.).
(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ('FAT FACE' to 'BRAT FACE' for example)".

29) I also keep in mind that in *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct

confusion". Arnold LJ agreed, pointing out that there must be a "proper basis" for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

30) Furthermore, it is not sufficient that a mark merely calls to mind another mark: *Duebros Limited v Heirler Cenovis GmbH,* BL O/547/17. This is mere association not indirect confusion.

31) Weighing all relevant factors and keeping in mind the above case law, I consider it unlikely that, having realised that the marks are not the same, the average consumer would nevertheless put the similarities between them down to the goods coming from the same or linked undertaking(s). I reach this view in respect of all the relevant goods, even where there is identity between them. The common element is not 'so strikingly distinctive', the later mark does not simply add a non-distinctive element to the earlier mark and neither do I consider that the contested mark has the appearance of being entirely logical and consistent with a brand extension of the earlier mark. I also cannot see that there is likely to be any other kind of mental process on the part of the consumer, falling outside of the categories highlighted by Mr Purvis, that is likely to lead the average consumer to believe that the respective goods come from the same or linked undertaking(s). The most can be said, in my view, is that the later mark may call to mind the earlier mark or vice versa but that is mere association, not confusion. **The opposition under Section 5(2)(b) of the Act fails.**

COSTS

32) As the applicant has been successful, it is entitled to a contribution towards its costs. Using the guidance in Tribunal Practice Notice 2/2016, I award the applicant costs on the following basis:

Preparing a statement and considering the other side's statement	£300
Preparing for, and attending, the hearing	£600

Total: **£900**

33) I order Ghost Fragrances Limited to pay NMS Management, LLC the sum of **£900**. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 21st day of August 2023

Beverley Hedley
For the Registrar, the Comptroller-General