BL o/0918/23

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003633240

BY WISSOTZKY TEA (ISRAEL) LTD. TO REGISTER

AS A TRADE MARK IN CLASS 30

AND OPPOSITION No. 427768 BY TEA LAB COMPANY LIMITED

DECISION

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1. This is an appeal in an unsuccessful Opposition brought under s.5(2) Trade Marks Act 1994.

2. The Applicant/Respondent is Wissotzky Tea (Israel) Ltd. ("Wissotzky") and the Opponent/Appellant is Tea Lab Company Limited ("Tea Lab").

3. The goods for which Wissotzky's mark is sought to be registered are in Class 30: Tea Products; all included in class 30, which is not in dispute are identical to the goods for which Tea Lab's prior mark is registered.

4. The respective marks are as follows (mark applied for first)[1]:

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[1] The Appellant also relied on a The Tea Lab word mark, but rightly conceded that its best case was in respect of the device mark shown above.

5. By decision dated 31 March 2023 the Hearing Officer, A Cooper, dismissed the opposition, finding that there was no likelihood of direct or indirect confusion.

6. The Opponent's appeal was heard by me on 18 September 2023. The Opponent was represented by Florian Traub of Pinsent Masons and the Applicant by Stephanie Wickenden instructed by JA Kemp LLP. I am grateful to both of them for their assistance.

Standard of Appeal

7. There was no dispute before me as to the standard of appeal, which is now well established.

8. However, for reasons which will become apparent, it is worth setting out the relevant authorities cited by the Appellant in a little more detail.

9. The relevant principles were explained by Daniel Alexander QC sitting as the Appointed Person in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 at [14]-[52], and his conclusions were approved by Arnold J in *Apple Inc v Arcadia Trading Limited* [2017] EWHC 440 (Ch), [2017] FSR 40. As Mr Alexander QC concluded:

> "... In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (REEF, BUD, Fine & Country and others)."

10. These principles were echoed by the Supreme Court in *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671, [2019] RPC 9 which considered the role of the appellate court at [78] to [81] in relation to the question of obviousness. Lord Hodge concluded:

> 80. What is a question of principle in this context? An error of principle is not confined to an error as to the law but extends to certain types of error in the application of a legal standard to the facts in an evaluation of those facts. What is the nature of such an evaluative error? In this case we are not concerned with any challenge to the trial judge's conclusions of primary fact but with the correctness of the judge's evaluation of the facts which he has found, in which he weighs a number of different factors

against each other. This evaluative process is often a matter of degree upon which different judges can legitimately differ and an appellate court ought not to interfere unless it is satisfied that the judge's conclusion is outside the bounds within which reasonable disagreement is possible. [...]

81. Thus, in the absence of a legal error by the trial judge, which might be asking the wrong question, failing to take account of relevant matters, or taking into account irrelevant matters, the Court of Appeal would be justified in differing from a trial judge's assessment of obviousness if the appellate court were to reach the view that the judge's conclusion was outside the bounds within which reasonable disagreement is possible. It must be satisfied that the trial judge was wrong ..."

11. See also the valuable guidance given by Mr Iain Purvis QC sitting as the Appointed Person in *Rochester* BL O/049/17 at [33]:

"... the reluctance of the Appointed Person to interfere with a decision of a Hearing Officer on likelihood of confusion is quite high for at least the following reasons:

(i) The decision involves the consideration of a large number of factors, whose relative weight is not laid down by law but is a matter of judgment for the tribunal on the particular facts of each case.
(ii) The legal test 'likely to cause confusion amongst the average consumer' is inherently imprecise, not least because the average consumer is not a real person.
(iii) The Hearing Officer is an experienced and well-trained tribunal, who dealswith far more cases on a day-to-day basis than the Appellate tribunal.
(iv) The legal test involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade. Any wise person who has practised in this field will have come to recognize that it is often very difficult to make such a prediction with confidence. ... Any sensible Appellate tribunal will therefore apply a healthy degree of self-doubt to its own opinion on the result of the legal test in any particular case."

The Decision

12. The portion of the Decision relating to the s5(2) objection begins at §26. The Hearing Officer proceeded to set out the legal principles by reference to the well-known authorities, and no criticism is made of this.

13. At §30 et seq. he carried out a comparison of the goods, and concluded that they were identical.

14. Then he turned to the average consumer, and held at §34 that they will be members of the public selecting goods primarily visually. At §35 he held that the nature of the goods meant that the average consumer would pay a low to medium degree of attention to their purchase.

15. At §36 he turned to a comparison of the marks. He reminded himself that consumers normally perceive marks as a whole and made findings as to the similarities by reference to their overall impressions as follows:

> Wissotzky's mark
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> 42. Wissotzky's mark is made up of several components that sit on top of each other. The element at the top of the mark is the letter 'T'. This is presented in a bold, black standard typeface. Under this is a short horizontal black line. Below the line is the word 'LAB' displayed in the same size and styled typeface as the letter 'T'. While the letter 'T' and the word 'LAB' are separated by a horizontal line, I find that they will be viewed together as 'T LAB' given their shared use of size and typeface. At the bottom of the mark is the word 'WISSOTZKY'. This is presented in the same typeface as the other word elements but is displayed smaller and not in bold. All of these elements sit inside a square, black border. Despite Tea Lab's submissions regarding the dominance of 'T LAB', I find that it is the word 'WISSOTZKY', regardless of its size, that will play the strongest role in the overall impression of the mark with 'T LAB' playing a lesser role. I make this finding for reasons that I will come to discuss when considering the conceptual comparison of the marks. As for the remaining elements, being the horizontal line and the border together with the way in which the words are presented (being stacked vertically), I find that as they are purely decorative, they will have a negligible impact on the mark as a whole.
>
> *Tea Lab's registrations*
>
> […]
>
> 44. Turning to Tea Lab's second registration, this is a figurative mark that consists of a number of elements. The first is the word 'TEA' that sits above the word 'LAB' which, in turn, sits above the word 'COMPANY'. All of these words are displayed in standard black typefaces; however, 'TEA' and 'LAB' are displayed a lot larger than 'COMPANY'. Enveloping all of these elements are two gold square brackets. Given the size of 'TEA' and 'LAB' I find that these will play the greater role in the overall impression of the registration. Further, they will be read as a unit, being 'TEA LAB'. As for 'COMPANY', I find that due to the fact that it is presented in such a smaller typeface and on the basis that it is a simple reference to the nature of the undertaking responsible (in that it is a company), it plays a lesser role. As for the gold square brackets and the way in which the words are presented (in that they are stacked vertically), I am of the view that they are purely decorative elements that will only play negligible roles.

16. In relation to the similarities, he found:

(a) Visual – medium degree;

(b) Aural – low to medium degree;

(c) Conceptual – medium to high degree.

17. He then turned to the distinctive character of Tea Lab's registrations. He concluded that there was low inherent distinctiveness for the following reasons (at §59):

> I appreciate that the words 'TEA LAB' will be seen as somewhat unusual on the basis that it is not, as far as I understand it, common for tea to be created in a laboratory. However, I consider that average consumers will still understand that the registrations describe the goods at issue, namely that they describe tea that is created or developed in a laboratory. As such, I find that 'TEA LAB' in the registrations is of low inherent distinctiveness.

18. He then went on to assess enhanced distinctiveness through use and concluded, having reviewed the evidence in some detail, that there was not sufficient evidence of use to justify a finding of enhanced distinctiveness. This finding is not challenged on appeal.

19. Having determined that there was no admissible evidence of actual confusion, he turned to the likelihood of confusion. He summarised the relevant legal principles, including the interdependency principle, and his findings above. He then went on to find that there was no likelihood of direct confusion, based primarily on the presence of WISSOTZKY in the mark applied for, reasoning as follows at §82:

> …While the argument regarding the interdependency principle is noted, I am of the view that it disregards what is an important consideration in the present case, being the presence of the word 'WISSOTZKY'. Taking all of the above into account and bearing in mind the principle of imperfect recollection, I am of the view that the presence of 'WISSOTZKY' is such that it will assist the average consumer in accurately remembering and recalling the parties' marks for one another. I see no scenario wherein the average consumer will overlook the dominant and distinctive word in Wissotzky's mark, being 'WISSOTZKY'. I appreciate that the marks share the conceptual hook of a 'tea lab', however, this does not in any way mean that 'WISSOTZKY' will be overlooked, particularly given the descriptive nature of said conceptual hook. Consequently, I do not consider that there is a likelihood of direct confusion between the marks, even on goods that are identical or in circumstances where the average consumer pays a lower degree of attention.

20. He continued by considering indirect confusion, finding that there was also no likelihood of this in §85:

> …I appreciate that there exists a shared concept of a 'tea lab' between the parties' marks, however, I have discussed above that the reference to a tea lab is descriptive of the goods at issue meaning that the shared element would not be 'so strikingly distinctive' that the consumer would believe only one undertaking would use it. In the present case, to be satisfied that there exists a likelihood of indirect confusion, I am of the view that the average consumer would need to believe that the alternate use of 'T' and 'TEA' in the marks is a logical change that an undertaking would make that would be consistent with a brand extension, sub-brand or alternative mark. I would also need to find that the average consumer would consider it logical that an undertaking would remove/add a distinctive element from/to its mark, being 'WISSOTZKY'. I do not consider that either would occur. Firstly, while I accept that 'T' may be understood as alluding to 'TEA' in the context of the goods at issue, I fail to see why the consumer would think it logical for an undertaking to alternate their use of 'T' and 'TEA' across different marks. Such an alternate use would, in my view, not be consistent. Secondly, the word 'WISSOTZKY' will be viewed as the primary indicator of origin in Wissotzky's mark and I see no reason why the average consumer would think it logical that such a distinct element would be removed from a mark so that the mark would be read simply as a descriptive reference to a tea lab. In respect of Tea Lab's submissions, I accept that the categories laid out in *L.A. Sugar* (cited above) are not exhaustive, but I have no argument before me as to whether there are any other circumstances that may give rise to a likelihood of direct confusion. Taking all of this into account and bearing in mind the comments of Arnold LJ in *Liverpool Gin* (being those reproduced above), I find that there is no likelihood of indirect confusion in the present case, even when bearing in mind that the marks will be viewed on identical goods and in circumstances where the average consumer pays a lower degree of attention.

The Appeal

21. Tea Lab's appeal was broken down into three alleged errors on the part of the Hearing Officer, summarised in its skeleton as follows:

    (a) the placing of undue weight to the fact that the earlier mark had a low level of distinctiveness;

    (b) the significance of the presence of the word "WISSOTZKY" within the Contested Application;

    (c) evidence of actual confusion (paras. 78 and 79 of the Decision) and the application of the relevant case-law.

22. As to the first point, Tea Lab criticised the Hearing Officer's assessment, which it said was inconsistent. This was because having found that the Tea Lab mark was distinctive to a low degree, it said that the Hearing Officer fell into error in not attributing at least some distinctiveness to the mark when carrying out the overall global comparison. Had the Hearing Officer taken proper account of distinctiveness, it was said that he could not have concluded that there was no likelihood of confusion.

23. I do not accept that the Hearing Officer made the error identified by the Appellant. He was entitled to find that the Tea Lab mark was distinctive to a low degree (even if other reasonable people might consider that it was distinctive to e.g. a medium degree). When it came to carrying out the global assessment it cannot be said that the Hearing Officer attributed no weight to the low level of distinctive character that he had found. See in particular §81 in which he repeated his finding as to distinctiveness and also cited *L'Oreal v OHIM* Case C 235/05P for the proposition that "*the low distinctive character of an earlier mark does not preclude a likelihood of confusion*". Nevertheless, he went on to find an absence of likelihood of confusion in the present case. In coming to that finding I cannot attribute any error to his treatment of the issue of distinctiveness.

24. The second ground of appeal seeks to attack the reasoning of the Hearing Officer in the assessment which followed his reference to distinctiveness, and in particular his treatment of the WISSOTZKY part of the mark in issue. For the reasons which follow I consider this is a much more promising line of attack.

25. I should start by recollecting what the Hearing Officer found in relation to the elements of the two respective marks.

26. In relation to Tea Lab's mark, he held at §44, which I have set out in full above, that the dominant parts were TEA and LAB because they were larger than COMPANY and will be read as a unit. He felt that COMPANY played a lesser role because of its size and also because it is a simple reference to an undertaking.

27. In contrast, when it came to Wissotzky's mark, he held at §42 (also set out in full above) that whilst T and LAB would be viewed together given their shared use of size and typeface, WISSOTZKY would play the strongest role in the overall impression of the mark, regardless of its size. He explained that this was for the reasons that he would come to in discussing the conceptual comparison of the marks.

28. When he came to make the conceptual comparisons at §52 onwards, he explained:

(a) (firstly in relation to Tea Lab's word mark) the reference to laboratory is somewhat unusual in relation to tea as tea is not commonly produced in a laboratory. However the registration as a whole would be understand as being descriptive of tea originating from a lab. In the case of the Tea Lab device mark (which is missing the THE but has COMPANY instead), this would be understood as referring to a company that operates a tea lab that produces tea.

(b) Wissotzky's use of T LAB creates an identical concept to Tea Lab's word mark, being a tea laboratory. The word WISSOTZKY creates a point of conceptual difference that would be understood to be a surname of foreign origin or a made-up foreign language word with no obvious meaning. Either way it would be understood to be an indicator of origin responsible for the tea lab. This is a conceptual difference, albeit that in either case the marks are still conceptually similar to a medium to high degree.

29. The Appellant criticised the consistency of the Hearing Officer's approach and submitted that it was clear that he had fallen into error. It was said that he was wrong to determine that TEA LAB was the dominant part of the pre-existing mark and that both marks were visually similar to a medium degree and conceptually similar to a medium to high degree, yet then to go on to dismiss the likelihood of confusion based on the WISSOTZKY part of the Applicant's mark.

30. I have hesitated before reaching my conclusion on this issue. My initial reaction to the outcome of the present case was surprise, but surprise is not a sufficient basis to justify interference – there must be a legal error, or the tribunal must be wrong in the sense of reaching a conclusion which no reasonable tribunal should reach. Further, appellate tribunals should be reluctant to interfere with multifactorial decisions of Hearing Officers for the reasons articulated by Mr Purvis QC in *Rochester*.

31. Nevertheless, even applying the requisite healthy dose of self-doubt, in the present case I have concluded that the Hearing Officer was wrong to conclude as he did. The distinction between a case where reasonable tribunals may differ and one in which the tribunal below is "wrong" can be difficult to articulate, particularly where the multifactorial decision can be diced up into individual elements of low/medium/high similarity. But in the present case I consider that the Hearing

Officer's reasoning was inconsistent and contradictory, and that this justifies the assessment being made afresh on appeal.

32. The starting point is the Hearing Officer's finding that the dominant parts of Tea Lab's mark were TEA and LAB, an assessment with which I agree. I also agree that the reference to laboratory in the context of tea is somewhat unusual and distinctive. However, these findings appear to be at odds with the Hearing Officer's assessment of Wissotzky's mark, where the T and LAB are equally prominent, but where he concluded that the much smaller WISSOTZKY would play the strongest role. I find it very difficult to square this element of his decision with his conclusions that the marks were conceptually similar to a medium to high degree (a conclusion with which I agree). In particular, I cannot reconcile his reasoning in relation to visual and conceptual similarity with his conclusion that "*I see no scenario wherein the average consumer will overlook the dominant and distinctive word in Wissotzky's mark, being 'WISSOTZKY'*". Either WISSOTZKY is a suitable distinguishing factor, visually or conceptually, and so the similarities are less than he found, or the difference is insufficiently distinguishing, particularly given the much greater prominence of the TEA/T LAB elements, together with the overall design of the marks. This apparent inconsistency justifies my reconsidering the global question on appeal.

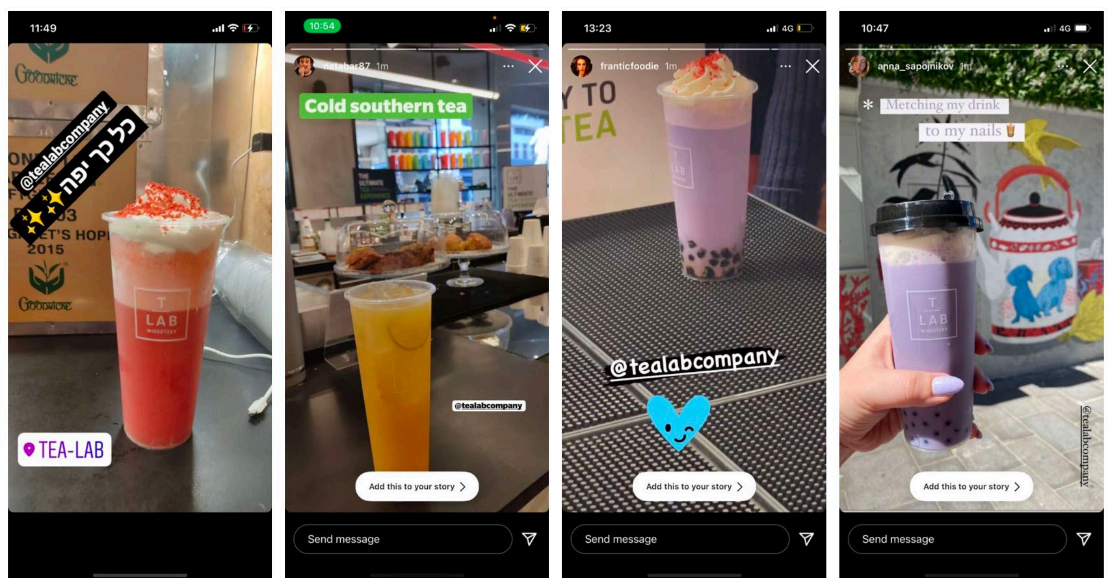
33. As to this, I agree with the Hearing Officer's findings on similarities. As hinted above, I consider that the marks have a medium degree of distinctive character, although as also recorded above, the difference between a low degree and a medium degree is not decisive of the issues in this case. In particular, I consider that the concept of anyone consuming food made in a laboratory is sufficiently unusual to elevate the marks above the lowest level of distinctiveness.

34. Taking into account all of the relevant factors afresh, and placing appropriate weight on the presence of WISSOTZKY consistent with the Hearing Officer's findings of similarity, I consider that there is a likelihood of both direct and indirect confusion. Given the value of the goods and the level of attention that is likely to be paid by the average consumer, unlike the Hearing Officer I do not consider that the presence of WISSOTZKY will assist the average consumer in accurately remembering and recalling the parties' marks for one another. Instead, I consider that the overwhelming likelihood is that consumers will recall the respective undertakings by reference to the TEA/T LAB label, perhaps also in combination with the square device mark. As such, I do not think the Hearing Officer took proper account of the likelihood of imperfect recollection. I do not think that TEA LAB is descriptive enough to be ignored in the way the Hearing Officer found; indeed I think the unusual

suggestion of tea being made in a laboratory will be something that the average consumer will recall. In contrast to the findings of the Hearing Officer I do consider that will be plenty of scenarios in which the average consumer will not place sufficient weight on the WISSOTZKY part of the mark applied for, and as a result there will be a likelihood of direct confusion.

35. As for the likelihood of indirect confusion, I consider that the Hearing Officer fell into further error, again underestimating the importance of imperfect recollection. In particular, I disagree that the average consumer would recall the difference between TEA and T, especially given the aural and conceptual similarities. Further, the Hearing Officer only seemed to consider a scenario where the Wissotzky mark was seen first when he concluded as he did in §85 "*I see no reason why the average consumer would think it logical that such a distinct element would be removed from a mark so that the mark would be read simply as a descriptive reference to a tea lab…*" He did not consider the situation in which a consumer familiar with the TEA LAB mark saw the Wissotzky mark and might well consider that it was a sub-brand, geographical or specialist version of the more general TEA LAB range. Given the identity of goods, and the levels of visual, aural and conceptual similarity between the marks found by the Hearing Officer, I therefore think he was wrong to conclude that there was no likelihood of indirect confusion.

36. Finally, but briefly given my reasoning above, I turn to the third ground of appeal, in relation to the evidence of actual confusion, which was based on examples of four users wrongly tagging TEA LAB in Instagram posts showing Wissotzky products:



37. Tempting as it is to overturn the Hearing Officer's findings on this as well in order to support my conclusion on the likelihood of confusion, I do not consider that he was wrong to ignore it. This is essentially for the reasons he gave, namely the complete absence of evidence as to who, where or when the Instagram posts were made. I acknowledge the difficulty in geolocating posts which are made on a global platform such as Instagram, but it would have been possible to provide more evidence about whether any of the people posting were followers of TEA LAB and the extent to which such followers are likely to be based in the UK, as well as providing the dates of the various posts. So whilst such posts could have been evidence of actual confusion, there was insufficient material before the Hearing Officer (and before me) to rely on them as such.

Conclusion

38. For the reasons given above I order that the decision of the Hearing Officer be set aside and the opposition be upheld in its entirety. Application No. UK00003633240 should be refused.

39. The Applicant was awarded £1200 in costs below. This award should also be set aside. However, I must take account of the fact that TEA LAB also relied on ss.5(3) and 5(4) below, which it lost (but sensibly decided not to pursue on appeal). I will substitute the award below with an award that the Applicant pay the Opponent £600 to reflect this.

40. As for the costs of the appeal, they should follow in the usual way. Taking into account the Grounds of Appeal, the preparation for the hearing and the hearing, I award the Opponent £1500 to add to the costs award below.

41. The Applicant shall pay the Opponent £2100 by 4pm on 18 October 2023.

Thomas Mitcheson KC
The Appointed Person
26 September 2023