

O/151/20

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3338295

BY

KSS DISTRIBUTION LTD

TO REGISTER THE FOLLOWING TRADE MARK  
IN CLASS 34

**Dank**

AND

THE OPPOSITION THERETO UNDER NO. 414965

BY

SDN GROUP LTD

1. KSS Distribution Ltd (“the Applicant”) applied to register the word only mark “Dank” on 13 September 2018 for goods in class 34 listed below. It was accepted and published on 23 November 2018.

Class 34: Cartridges for electronic cigarettes; Chemical flavorings in liquid form used to refill electronic cigarette cartridges; Chemical flavourings in liquid form used to refill electronic cigarette cartridges; Liquid for electronic cigarettes; Liquid solutions for use in electronic cigarettes; Liquids for electronic cigarettes.

2. SDN Group Ltd<sup>1</sup> (“the Opponent”) partially opposes the application under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). It relies on its earlier UK registered trade mark “dank vapes”, numbered 3329785, which was filed on 7 August 2018 and registered on 2 November 2018, in respect of goods in class 34 namely:

Class 34: Personal vaporisers and electronic cigarettes, and flavourings and solutions therefor.

3. For the purposes of this opposition, the Opponent is relying on all its goods for which the mark is registered, claiming that there is a likelihood of confusion between the marks, because the trade marks are similar and are to be registered for goods identical or similar to those for which the earlier mark is protected.

4. Whilst the Applicant’s mark is seeking registration for a range of goods as outlined in paragraph 1, the Opponent has only sought to oppose a specified list of items in its pleadings, namely *Liquid solutions for use in electronic cigarettes; liquid/s for electronic cigarettes* and consequently, these are the only goods which can be considered as opposed.

5. The Applicant filed a defence and counterstatement denying the claims made and submitting that the Opponent uses its trade mark as a domain name and website T/A

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<sup>1</sup> Previously SDN Media

name and not as a badge of origin for the goods. In addition, it submits that the Opponent does not use “dank vapes” when referring to the mark on its website but rather as “dank!” and “SDN Group T/A dank! Vapes”. It argues that neither “dank” nor “dank vapes” appear in the description of their “CBD e-liquids” page nor do the marks appear on any individual product listings. They dispute that the Opponent manufactures or sells physical products with the brand name “Dank” or “dank vapes”.

6. Neither party is legally represented. The Opponent filed evidence in the form of the witness statement of Sophie Thompson dated 24 July 2019. The Applicant filed evidence in the form of the witness statement of Alexander Bullivant dated 30 September 2019. Neither party requested a hearing nor filed submissions in lieu. The decision is taken following a careful perusal of the papers.

## **Evidence**

### Opponent’s evidence

7. The Opponent’s evidence consists of the witness statement of Sophie Thompson with 8 exhibits. Ms Thompson is the Director of SDN Group Ltd, the Opponent, a position which she has held since November 2017. I have summarised this evidence below, to the extent that I consider it necessary.

8. Ms Thompson states that the mark “DANK” was first used in 2017 for the following goods/services:

Class 34: Tobacco and tobacco substitutes; cigarettes and cigars; electronic cigarettes and oral vaporizers for smokers; smokers’ articles; matches.

9. Ms Thompson provides evidence which she states demonstrates that the mark “DANK” has been widely used for its class 34 goods and affiliated with SDN Group Ltd. She exhibits at ST1 a screenshot taken from the Opponent’s website namely,

[www.dankvapes.cu.uk](http://www.dankvapes.cu.uk) showing use of their brand on their homepage with their “dank!” logo clearly present.

10. Exhibit ST2 shows “some of the [Opponent’s] marketing materials and social media pages”, which Ms Thompson states illustrates the way in which the mark is used to promote their goods. The printout consists of an Instagram post, a You Tube page and a marketing flyer showing the Opponent’s mark in various forms.

11. Exhibit ST3 refers to data from Google that Ms Thompson states, demonstrates that between May 2017 and July 2019, 9,430 individuals searched for “dank” and subsequently chose the Opponent’s website.

12. Exhibit ST4 is described as consisting of an excerpt of an article published on “www.phoenixfm.com” which is “one of several examples of local and national media companies referring to us as ‘dank’”. Within the article Miss Thompson states that they are referred to solely as ‘dank!’ which demonstrates the goodwill associated with the brand and mark.

13. Exhibit ST5 is described as the Opponent’s CBD e-liquid packaging and advertising and demonstrates that the company has extensively advertised in the UK and throughout Europe. It consists of a post taken from the “@LondonPostUk” website displaying a picture of the Opponent’s products. Miss Thompson states that this photograph clearly shows “CBD E Liquid by dank” on the front of the bottle.

14. Exhibit ST6 consists of a promotional leaflet which Ms Thompson states has been delivered to over 5,000 customers residing across the UK. She states that “CBD E Liquid from dank” is clearly visible.

15. Exhibit ST7 is described as feedback on the Opponent's products taken from the TrustPilot platform and includes four posts from customers referring to the Opponent's brand as "dank"

16. Exhibit ST8 consists of an "unverified negative Trustpilot review from a customer of a business selling products of a similar brand name" which supports their claim that trademarking of the mark to anyone other than the Opponent in class 34 would cause further confusion. The post is dated 2 November 2018 but other than a reference to "Dank Vapes" and "Dank" within the text, it is unclear whether they are referring to the Opponent or not.

#### Applicant' evidence

17. As noted above the Applicant's evidence is in the form of the witness statement of Alexander Bullivant accompanied by 17 exhibits marked 101-117. Mr Bullivant is the IPO representative of KSS Distribution Ltd the Applicant in suit.

18. Mr Bullivant confirms that the Applicant's mark was first used in the UK in 2018 for "Dank CBD e-liquids", in a range of 7 flavours and 3 strengths. The 30ml bottles have been available since September 2018 and the 10ml bottles since December 2018.

19. Mr Bullivant confirms that the Applicant's products are manufactured by Vapour Freaks Ltd and that the Applicant permits Vapour Freaks Ltd and Express Vapour Ltd to use the trade mark "Dank". These three companies are connected by a mutual director and shareholder, namely Kalwant Sembhy. Mr Sembhy founded the Applicant company in 2014 and he was responsible for the design and production of Dank CBD e-liquids. Mr Buyllivant confirms that Mr Sembhy obtained the Dank trademark for the use of his company KSS Distribution Ltd.

20. Mr Bullivant states that the Applicant and Vapour Freaks Ltd also manufacture and sell other brands of e-liquids and CBD products. All of their products including Dank CBD e-liquids are sold to wholesalers and retail outlets and the mark has been used throughout the UK.

21. Mr Bullivant outlines that the Applicant's products are marketed on a wholesale distribution website owned and controlled by the Applicant namely [www.vapourfreaks.co.uk](http://www.vapourfreaks.co.uk). In addition, their Dank CBD e-liquids have been marketed at trade expos. Prior to September 2018 Mr Bullivant states that the annual sales and promotion costs of the goods/services were £0.00.

22. Exhibit 101 includes an undated screenshot taken from the website "www.vapourfreaks.co.uk" showing the Dank CBD e-liquid range, available to purchase by retailers and wholesalers. Mr Bullivant confirms that no use is made of "Dank Vapes anywhere" within the text.

23. Exhibit 102 is described as a copy of "Dank CBD e-liquids printed poster for retailers and wholesalers". Within the text the Applicant is described as the distributor of Dank CBD e-liquids. Again, save for a print date of 30/09/19 the document is undated. The poster consists of various pictures of bottles displaying the mark Dank.

24. Exhibit 103 is described as an example of the bottle label used on the Applicant's 30ml bottle of e-liquid. The mark is presented in a stylised form and includes the typical labelling information ordinarily displayed on a product of this type. The label includes an age restriction of 18+.

25. Exhibit 104-106 consists of undated photographs of the Dank trademark as it appears on their bottles and packaging and as displayed on an exhibition stand at the NEC in early 2019.

26. Exhibits 107 are copy screenshots taken from the Applicant's official Instagram page. They are undated but display the mark Dank in a stylised form on various bottles. The post shows that it has 4580 followers.

27. Exhibit 108-114 includes undated screenshots of various websites where the Applicant's CBD range of e liquids are available for sale. Exhibit 110 appears to be directed solely towards wholesalers, whereas the remaining screen shots appear to demonstrate that the webpages are directed towards members of the general public.

28. Exhibit 115 consist of a list of websites that stock Dank CBD e-liquids. The Applicant was notified by letter dated 4 October 2019 that if it wanted the Tribunal to consider this material then it should be provided in full rather than only providing links. No further copies were included.

29. Exhibit 116 consists of an undated screenshot taken from Google's Web Search page for "dank cbd eliquids" and the results generated. The list produced includes various websites which presumably sell/ or have a reference to the words "dank cbd eliquids" and include both the Opponent's and the Applicant's websites. Exhibit 117 is a similar search result page but for the words "dank vapes". The results produced include top stories referencing Dank Vapes, and their link to illnesses.

30. It is clear that both parties' evidence in the main relates to how their respective marks are used in the market place and the form in which their marks are displayed on their products, websites, social media accounts and promotional material. The Applicant's exhibits are not accompanied by any explanation or narrative and therefore I am uncertain as to exactly how I am to interpret the material and what they are purporting to demonstrate. I have nevertheless taken account of all the evidence filed in my decision.

## Preliminary Issues

31. The Opponent in its evidence appears to rely on a list of goods it uses in the market place for which it is not registered. The opposition can only consider those goods as registered rather than those which are currently in use in the market.<sup>2</sup>

32. The Applicant claims to have used its mark on CBD e-liquids since September 2018 predating the Opponent's registration, arguing that its mark should proceed to registration and the opposition should not be upheld. I would refer the parties to Tribunal Practice Notice 4/2009 and in particular Ms Anna Carboni's decision (sitting as the appointed person) in the case of *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09. In this case Ms Carboni rejected any defence, based on prior entitlement, raised in this way, as wrong in law. Furthermore, she determined that the proper course for any Proprietor wishing to invoke an earlier right was to oppose the application or submit an application to invalidate. Since the Applicant has not sought to invalidate the Opponent's mark based on its claim to an earlier unregistered right then the Opponent's registration shall be taken as prima facie evidence of the validity of a registered trade mark.<sup>3</sup> By virtue of section 6 of the Act, the Opponent's mark will therefore be regarded as the earlier mark for the purposes of this decision.

33. In its defence and counterstatement, the Applicant questions the Opponent's use and form of its mark and the extent of use on its goods in the market. However, since the Opponent's mark has not as yet been registered for more than five years at the date the application was published, the Opponent is not required to prove or demonstrate use of its mark for any of its products.<sup>4</sup> Notional and fair use means that it is entitled to protection for the full width of its registered classification of goods for five years from its registration date without having to prove use.

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<sup>2</sup> Para 2 Sophie Thompson's witness statement

<sup>3</sup> Section 72 of the Act

<sup>4</sup> Section 6A of the Act

34. The Applicant also disputes that any likelihood of confusion would arise as it does not use the phrase “dank vapes” in its “labelling, packaging, marketing, domain URL, domain name, or web text, and does not market its products using that phrase.” The Opponent it claims offers for sale CBD e-liquid branded as “Elevate” and that the words “dank” nor “dank vapes” do not appear in the description of their CBD e-liquids’ page nor on any individual product listing. I note however that it does accept that the “tag line “Organic CBD E Liquid by dank!” appears in small lettering on their bottle.” It is necessary to consider the earlier mark to have been used in relation to all the goods covered by the registered specification. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. stated that:

“78. ....the court must.... consider a notional and fair use of that mark in relation to all of the goods or services in respect of which it is registered. Of course it may have become more distinctive as a result of the use which has been made of it. If so, that is a matter to be taken into account for, as the Court of Justice reiterated in *Canon* at paragraph [18], the more distinctive the earlier mark, the greater the risk of confusion. But it may not have been used at all, or it may only have been used in relation to some of the goods or services falling within the specification, and such use may have been on a small scale. In such a case the proprietor is still entitled to protection against the use of a similar sign in relation to similar goods if the use is such as to give rise to a likelihood of confusion.”

35. In addition, in *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283, Millett L.J. stated that:

"Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark."

36. Whether there is or is not actual confusion is therefore of little or no significance as it does not necessarily reflect the actual position regarding whether the average

consumer would be aware of the respective marks on the market nor I would suggest have they been consistently exposed to them side by side in comparable market environments.<sup>5</sup> It is not necessary therefore for the Opponent to provide evidence of actual confusion as the assessment must be based on an objective test of all the relevant factors.

## Decision

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

“5(2) A trade mark shall not be registered if because-

(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”.

38. 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.

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<sup>5</sup> *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41

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 greater degree of similarity between the marks, and vice versa;

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

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

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

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

### **Comparison of the goods**

39. When conducting a goods comparison, all relevant factors should be considered as per the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc* Case C-39/97, where the court stated at paragraph 23 of its judgment that:

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

40. I am also guided by the relevant factors for assessing similarity identified by Jacob J in *Treat*, [1996] R.P.C. 281 namely:

(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.

41. In *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)*, Case T-133/05, the General Court (GC) stated 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 trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM - Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

42. The competing goods are as follows:

Applicant's goods (those opposed)	Opponent's goods
Class 34: Liquid for electronic cigarettes; Liquid solutions for use in electronic cigarettes; Liquids for electronic cigarettes.	Class 34: Personal vaporisers and electronic cigarettes, and flavourings and solutions therefor.

43. Neither party has provided submissions in relation to the identity or similarity of the respective goods. Solutions and liquids for electronic cigarettes are interchangeable terms for one and the same product and therefore I consider that the Applicants goods are identical to the Opponent's *electronic cigarettes, and flavourings and solutions therefor* according to the principles in *Meric*.

### **Average Consumer**

44. When considering the opposing marks, I must determine, first of all, who the average consumer is for the goods and the purchasing process. The average consumer is deemed reasonably well informed and reasonably observant and circumspect. For the purposes of assessing the likelihood of confusion the average consumer's level of attention is likely to vary according to the category of goods in question.<sup>6</sup>

45. Whilst the parties refer to their goods as specifically for cbd oils and liquids their specification is much broader and therefore I must assess the average consumer across the full range of goods of their registration and not only those specific goods upon which the mark is being used.

46. 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

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<sup>6</sup> *Lloyd Schuhfabrik Meyer, case c- 342/97*.

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.”

47. To my mind the goods in question are consumable disposable items, of relatively low value. The liquids and solutions for electronic cigarettes and associated paraphernalia will be bought in supermarkets, corner shops or in specialist “vape” shops. The regulations are such that they are not to be sold to under 18-year olds. In supermarkets and corner shops, the products are not usually available for self-selection but are ones normally kept behind the counter where they must be asked for and supplied by a member of staff. In this scenario aural considerations would play an important part in the selection process as it will involve a request to supply from a shop keeper. However, I do not discount visual considerations once the consumer has possession of the items at the point of sale. In specialist vape shops however (or their online equivalent) the customer would be able to browse and self-select the goods from the range on display and therefore visual considerations are key.

48. Mr Bullivant states that the Applicant’s products are sold to wholesalers and retail outlets however his statement appears to suggest that the goods are also available to members of the public generally. The consumers of the parties’ e-liquids and solutions in my view will be the same as the part of the population who use e-cigarettes. I consider that the average consumer will therefore be an adult member of the general public who uses vaping products (particularly in relation to cbd oils and liquids). Whilst I accept that the Applicant may sell its products to wholesalers or professional retailers, to my mind, taking into account the decision in *Hearst Holdings* above, the typical consumer will be part of the smoking community rather than the business user. In relation to the level of attention paid in the selection process I consider that for the general public considerations such as strength, flavour and cost would play a part but no more than the norm for such products. Overall, I consider that at least an average degree of attention will be paid in the purchasing process although I do not discount that for business users the level of attention may be slightly higher than the general public as their considerations may include profit margins.

## Comparison of the marks

49. 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 Court of Justice of the European Union (“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.”

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

51. The respective trade marks are shown below:<sup>7</sup>

Applicant's mark	Opponent's mark
Dank	dank vapes

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<sup>7</sup> I am only able to consider the marks as registered and not how they are being used.

52. Both marks are word only marks. The Applicant's mark consists solely of the word Dank with no additional stylisation and therefore the overall impression rests solely with this word. The Opponent's mark consists of two words "dank vapes". The overall impression of the mark resides in the dominant word dank whereas the word "vapes" will be considered as descriptive of the products provided by the undertaking and thus play a lesser role in the mark as a whole.

### **Visual and Aural Comparison**

53. The Applicant's mark is the word "Dank" presented in title case whereas the Opponent's mark "dank vapes" is in lower case. The difference in casing is likely to go unnoticed by the average consumer allowing for fair and notional use. The common element and only point of visual similarity lies with the word "dank" which is the totality of the Applicant's mark and the first word of the Opponent's. The difference resides in the addition of the word "vapes" in the Opponent's mark there being no counterpart in the Applicant's. Overall, I consider that the marks are visually similar to a medium degree.

54. The Applicant's mark "dank" will be given its ordinary pronunciation as it will be easily understood as an English word. The Opponent's mark will be pronounced as "dank-vapes". Given the descriptive nature of the word "vapes" it may not be articulated in which case the marks are aurally identical, otherwise they will be aurally similar to a medium degree.

### **Conceptual Comparison**

55. Taking the ordinary dictionary definition, and in absence of any evidence or submissions to the contrary, the word dank will be regarded as meaning damp or

unpleasant which has no apparent link to the goods. The word “vapes” will be understood as referring to either the verb/action of vaping that is the inhaling and exhaling of vapor produced by e cigarettes or as a noun to describe the actual device or vaping product. It is the word “dank” which will be the distinctive element in both marks and therefore I do not consider that the addition of the word vapes creates a sufficient conceptual difference to distinguish between them. I consider that the marks are conceptually similar to a high degree.

### **Distinctiveness of the earlier mark**

56. The degree of distinctiveness of the earlier marks is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier marks the greater the likelihood of confusion.

57. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested

by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see Windsurfing Chiemsee, paragraph 51).”

58. Registered marks possess varying degrees of inherent distinctiveness on a scale of low to high. Some are descriptive or allusive of a characteristic of the goods or services whilst others have no such qualities if they are made up or invented.

59. Whilst the Opponent has filed evidence of use of its mark, it has not established that the mark has achieved any degree of enhanced characteristics and therefore I only have the inherent qualities to consider. As I have already mentioned that the element “dank” will be considered as an ordinary English word with no apparent association with the goods. For the Opponent’s vaping products, however, the word “vapes” will be highly allusive if not descriptive of its products and thus be low in distinctiveness. I consider that overall, the earlier mark possesses a medium degree of distinctive character.

### **Likelihood of confusion**

60. When considering whether there is a likelihood of confusion between the two marks I must consider whether there is direct confusion, where one mark is mistaken for the other or whether there is indirect confusion where the similarities between the marks lead the consumer to believe that the respective goods originate from the same or related source.

61. There are a number of factors to bear in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective goods may be offset by a greater degree of similarity between the respective trade marks and vice versa.

As I mentioned above, it is necessary for me to keep in mind the distinctive character of the Opponent's trade marks, the average consumer for the goods and the nature of the purchasing process. In doing so, I must consider that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

62. 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.”

63. I remind myself that I have found the marks are visually similar to a medium degree. Their aural similarity will either be medium if all the verbal elements are articulated or identical if not. I will proceed with my assessment based on the lower degree of aural similarity as this is the most favourable to the Applicant. I have found the marks share a high degree of conceptual similarity. Overall, I have found the earlier mark as a whole to possess a medium degree of inherent distinctiveness. I have identified the average consumer to be a member of the general public or the business user, selecting the services either aurally or through visual means. I have

found that at least an average level of attention will be paid by the general populous, slightly higher for the business user.

64. When comparing the contested marks, I take into account the obvious visual similarities between them as a result of the shared presence of the word “dank” which is identical in both marks. I also take into account the descriptive nature of the element vapes in the Opponent’s mark. Whilst a shared common element alone does not necessarily lead to a likelihood of confusion<sup>8</sup> it is important to note the other element vapes within the respective mark and the part it plays. I bear in mind not only the level of distinctiveness of the earlier mark as a whole but also the distinctiveness of the common element.

65. In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of ‘distinctive character’ is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.”

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<sup>8</sup> *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17

66. The Opponent's mark has an additional element which is highly allusive if not descriptive of the goods provided by the undertaking. The word dank is incongruous for the goods in suit, but nevertheless it is the distinctive element of the earlier mark and the only element of the applied for mark. Bearing in mind my assessment of the overall impression of each mark and bearing in mind the principle of imperfect recollection I consider that consumers will not remember the element vapes and focus on the element dank. For identical products and overall the marks being similar to a medium degree they will mistakenly recall one for the other leading to a likelihood of direct confusion. The addition of the element vapes is not sufficient for consumers to differentiate between them even where a higher than average degree of attention is undertaken such as with business users.

67. In case I am wrong about direct confusion I will consider indirect confusion as explained in L.A. Sugar. Even if the average consumer does not directly mistake the marks there is sufficient similarity between them that the average consumer perhaps may recognise that the marks are different with the inclusion of the word "vapes" but conclude that the respective goods come from the same or economically linked undertaking. There is therefore a likelihood of indirect confusion.

68. The opposition therefore succeeds for the following goods in class 34. The application is refused for:

Class 34: Liquid for electronic cigarettes; Liquid solutions for use in electronic cigarettes; Liquids for electronic cigarettes.

69. Since no opposition was raised for the following goods, the application may proceed to registration for:

Class 34: Cartridges for electronic cigarettes; Chemical flavorings in liquid form used to refill electronic cigarette cartridges; Chemical flavourings in liquid form used to refill electronic cigarette cartridges.

## **Costs**

70. As the Opponent has succeeded it would ordinarily be entitled to an award of costs. Award of costs in proceedings are based upon the scale as set out in Tribunal Practice Note 2 of 2016. However, since the Opponent has not instructed solicitors it was invited by way of letter dated 7 November 2019 to indicate whether it intended to make a request for an award of costs, including accurate estimates of the number of hours spent on a range of given activities relating to defending the proceedings. It was made clear by that letter that if the pro-forma was not completed, no costs would be awarded. No response was received, nor the pro forma returned and therefore other than the issue fee of £100 no additional costs are awarded to the Opponent.

71. I order KSS Distribution Ltd to pay SDN Group Ltd the sum of £100 to be paid within twenty one days of the expiry of the appeal period or within twenty one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 10<sup>th</sup> day of March 2020

Leisa Davies  
For the Registrar