

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 3316126  
BY HAVWOODS LIMITED**

**AND IN THE MATTER OF OPPOSITION No. 413491 THERETO  
BY ECZACIBASI HOLDING ANONIM SIRKETI**

**AND IN THE MATTER OF AN APPEAL  
TO THE APPOINTED PERSON  
BY THE OPPONENT  
AGAINST A DECISION OF MS JUNE RALPH  
DATED 3 SEPTEMBER 2019**

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**DECISION**

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**Introduction**

1. This is an appeal from a decision of Ms June Ralph, acting for the Registrar, dated 3 September 2019, in which she rejected an opposition brought by Eczacibasi Holding Anonim Sirketi (“the Opponent”) against UK Application number 3316126 standing in the name of Havwoods Limited (“the Applicant”).

**UK Application 3316126**

2. UK Application number 3316126 was filed by the Applicant on 7 June 2018 requesting registration of the designation VETRO for use as a trade mark in relation to:

Class 1

Adhesives for flooring; additives (chemical-) for grouting materials; cements for fixing flooring

Class 19

Ceramic floorings; grout for ceramic floorings; ceramic tiles; ceramic tiles for flooring and facing and lining; parts and fittings for all the aforesaid goods

3. The Application was published in the Trade Marks Journal on 22 June 2018.

**Opposition 413491**

4. On 21 August 2018, the Opponent filed Notice of opposition and statement of grounds against the Application under Section 5(2)(b) of the Trade Marks Act 1994 which provides:

“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.”

5. The Opposition under Section 5(2)(b) was based on the following earlier trade marks within the meaning of Section 6(1)(a) belonging to the Opponent:

<b>Earlier trade mark</b>	<b>Filing/registration date</b>	<b>Goods in Class 19</b>
UKTM 1515314  VITRA	12.10.92/27.09.96	Ceramic floor coverings; ceramic wall coverings; floor tiles; wall tiles; all included in Class 19
EUTM 7314024  VitrA	14.10.08/14.05.09	tiles; ceramic wall tiles, ceramic floor tiles, porcelain floor tiles, tiles for adjoining partitions, external tiles for buildings

6. The Applicant took issue with the ground of opposition in a Notice of defence and counterstatement dated 29 October 2018, wherein the Applicant put the Opponent to proof of use of the Opponent’s earlier trade marks pursuant to Section 6A of the Act.
7. The Opponent filed evidence. Neither side requested an oral hearing. The Hearing Officer decided the opposition on the basis of the papers before her including the written submissions of the parties filed in lieu of a hearing.

**Hearing Officer’s decision**

8. The Hearing Officer issued her written decision under reference number BL O/513/19 on 3 September 2019. Her findings were, in brief:

**Proof of use**

- 1) The Opponent had proved genuine use of its earlier trade marks (including through an acceptable variant) in the UK/EU in respect of all the registered goods relied on in Class 19 (paras. 25 – 29). On the sufficiency of the use shown she noted:

“27. Although no formal turnover figures were provided, the declarant provided figures for the volume of goods sold in the UK and the unit price range. From that figure a turnover range of approximately £24m to £60m can be extrapolated for 2013 up to £31m to £78m for 2018. In addition, the declarant stated that around £3m had been spent on advertising in the UK in the relevant 5-year period prior to the publication of the contested mark. In my view, the use established in the UK is by extension sufficient to constitute genuine use of an EUTM. Overall, I find there has been genuine use of the marks.”

The findings on proof of use were not disputed.

#### **Section 5(2)(b)**

- 2) The Hearing Officer would be guided by the Registrar’s usual list of applicable principles under Section 5(2)(b) gleaned from the case law of the CJEU (para. 31). There was no suggestion that the Hearing Officer misdirected herself.

#### **Goods**

- 3) The goods of the parties in Class 19 were identical (paras. 36 – 37), which was agreed.
- 4) The goods applied for in Class 1 being: *Adhesives for flooring; additives (chemical-) for grouting materials; cements for fixing flooring*, were complementary to the Opponent’s goods relied on to a medium degree (para. 37). This finding was a subject of appeal.

#### **Average consumer**

- 5) The average consumer for the goods was the general public and businesses (para. 40), which was agreed.
- 6) The average consumer would pay a normal to high level of attention to the purchase act (para. 40). There was significant discussion on appeal regarding applicable levels of attention.
- 7) The goods could be sold in physical retail premises as well as online and through catalogues. Whilst the purchasing process would primarily be visual, aural considerations (e.g. advice from a technical specialist) could not be ignored (para. 40). There was no challenge to these findings.

#### **Marks**

- 8) There was a medium degree of visual similarity between the marks (para. 45), which was accepted.
- 9) The marks were aurally similar to a medium degree:

“46. Turning to the aural comparison, the marks are invented words there is no accepted way of pronunciation as there would be for regular dictionary words. The differences in vowel sounds in these marks is likely to alter the pronunciation of the words. If the opponent’s marks are verbalised as VIT-RAR or even VEET-RAR and the applicant’s mark is verbalised as VET-ROW then there is some aural distinction. Taking these factors into account I find that marks are aurally similar to a medium degree.”

The Hearing Officer’s findings on aural similarity formed part of the appeal.

10) The marks were invented words and neither mark had an immediately graspable concept. As such the marks were conceptually neutral (para.47). These findings were not appealed.

11) Regarding the distinctiveness of the earlier trade marks:

“49. The opponent’s marks are invented words which have no meaning in relation to the goods, so I consider them to be inherently distinctive to a very high degree. I have considered the evidence filed on this case showing use of the earlier marks, but in my view, this does not put the opponent in any stronger position with regard to the distinctiveness of the earlier marks.”

This passage was the subject of challenge on appeal.

12) There was no likelihood of confusion between the marks, direct or indirect:

“52. So far in this decision, the contested goods in class 19 were found to be identical and complementary to a medium degree for those goods in class 1. Furthermore, I found that average consumer will pay a normal to high level of attention during a primarily visual purchasing process and that the earlier marks have a very high level of inherent distinctiveness. In the comparison of the marks I found they were visually and aurally similar to a medium degree and conceptually neutral.

53. Although I found some visual similarities between the marks, namely sharing three letters in common, these are outweighed by the visual and aural differences. The marks are short and the vowel differences are noticeable to the eye and the ear. None of the marks have an immediately graspable concept so there is nothing to assist a consumer with fixing the marks in their mind. Therefore even taking the notion of imperfect recollection into account I do not consider there to be a likelihood of direct confusion between the applicant’s mark and the opponent’s marks, on the part of an average consumer paying a normal to high level of attention.

54. Having found no likelihood of direct confusion, I have to consider indirect confusion. Looking at the guidance give in L.A. Sugar above I do not consider that the average consumer is likely to believe that the respective goods come from the same or linked undertakings simply because the mark share three letters in common. Neither do I consider that the application would be seen as another brand of the earlier marks. Therefore I do not find that there is a likelihood of indirect confusion.”

- 13) The opposition was dismissed with costs in the sum of £1,000 awarded to the Applicant (paras. 55 – 57). The Opponent disputed the dismissal of the opposition.

### **The appeal**

9. On 24 September 2019, the Opponent filed Notice of appeal to the Appointed Person under Section 76 of the Act.
10. There were five grounds of appeal:
- (1) “... even if all of the Hearing Officer’s findings regarding the factors relevant to the global assessment ... remain untouched, on the basis of those findings she ought to have found that there was a likelihood of confusion. Her finding that there was no such likelihood was wrong in that it is one that no tribunal properly instructed could in the circumstances have reasonably arrived at” (Appellant’s Skeleton Argument, para. 6). It was also alleged under this head that the Hearing Officer in particular failed properly to apply the doctrine of imperfect recollection;
  - (2) the Hearing Officer erred in finding that the Applicant’s goods in Class 1 were complementary to the Opponent’s goods only “*to a medium degree*”. Goods are either complementary or not; there is no degree of complementarity. This diverted the Hearing Officer from reaching an assessment of the degree of similarity in the subject goods, which was high;
  - (3) the Hearing Officer ruled that the average consumer was the general public and businesses whose level of attention to the purchase of the goods in question would be normal to high. However she failed to consider the likelihood of confusion separately in relation to each category of consumer;
  - (4) the Hearing Officer erred in finding that the marks were similar to a medium degree. Since the marks featured the same three consonants in the same order with only the softer vowels being different, the Hearing Officer should have concluded that the marks were liable to be misheard for one another and were aurally similar to a high degree;
  - (5) the Hearing Officer failed to consider whether the distinctive character of the earlier trade marks had been enhanced through use.

11. The Grounds of Appeal and case in support concluded that had the Hearing Officer not erred in the manners set out in grounds (2) – (5) she would have found that there was a likelihood of confusion between the trade mark applied for and the earlier trade marks.
12. At the hearing of the appeal, the Opponent was represented by Ms Charlotte Blythe of Counsel instructed by Urquhart-Dykes & Lord LLP. Mr Jonathan Moss of Counsel instructed by Withers & Rogers LLP appeared for the Applicant.

### **Standard of review**

13. No points were taken on the standard of review. The Opponent recognised that in order to interfere with the decision of the Hearing Officer it was necessary for the appellate tribunal to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong<sup>1</sup>.

### **Merits of the appeal**

14. The first stand-alone ground of appeal was ambitious, as Ms Blythe appeared to accept. The global assessment of likelihood of confusion is a multi-factorial determination in which the Hearing Officer has a reasonable measure of discretion, and it is well-recognised that different minds may arrive at different conclusions.
15. As Mr Iain Purvis QC observed in *ROCHESTER Trade Mark*, BL O/049/17, paragraph 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 deals with 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

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<sup>1</sup> I was referred to the well known authorities of *REEF Trade Mark* [2003] RPC 5 and *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671, paras 78 – 81.

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.”

16. I will therefore turn first to Grounds (2) – (5).

### **Ground (2)**

17. The second ground of appeal was that the Hearing Officer erred in her comparison of the Applicant’s goods in Class 1.

18. The Hearing Officer was criticised in her finding that the Applicant’s: *Adhesives for flooring; additives (chemical-) for grouting materials; cements for fixing flooring* in Class 1 were complementary to a medium degree to the Opponent’s: *Ceramic floor coverings; ceramic wall coverings; floor tiles; wall tiles* (UK 1515314) and *tiles; ceramic wall tiles, ceramic floor tiles, porcelain floor tiles, tiles for adjoining partitions, external tiles for buildings* (EU 7314024) in Class 19.

19. It was pointed out that complementarity is just one of the factors to take into account in the comparison of goods and that the Hearing Officer’s finding that the goods of the parties were complementary to a medium degree was not only meaningless (the goods were either complementary or not) but also prevented her from judging the true degree of similarity between the goods in Classes 1/19 bearing in mind all the relevant factors (as per Case C- 39/97, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* [1998] ECR I-5507, para 23, *British Sugar PLC v. James Robertson* [1996] EWHC 387 (Ch)).

20. I agree with Ms Blythe that the Hearing Officer’s reference to the goods being “*complementary to a medium degree*” was unfortunate.

21. However, the Hearing Officer had considered the other relevant factors albeit seemingly in the context of complementarity and I suspect that she meant to express her conclusion in terms that the goods were similar to a medium degree.

22. Moreover, even were this a substantive mistake on the part of the Hearing Officer, I struggled to see where this got the Opponent since the Hearing Officer’s conclusion that no likelihood of confusion was made out, was based on the incontrovertible identity of the parties’ goods in Class 19.

23. That said, I have re-considered the Class 1/Class 19 comparison and due to their differences in nature and purpose (albeit complementary), I find the goods in question to be similar to a medium degree.

### **Ground (3)**

24. The Hearing Officer found that the average consumer for the goods at issue comprised ordinary members of the public on the one hand, and businesses on the other hand. That finding was not contested.

25. Regarding the level of attention, the Hearing Officer continued:

“40 ... The contested goods will vary in price depending on the size and nature of the area to be tiled especially as some commercial projects have very specific technical requirements such as water repellence or other safety concerns. As such I would expect a normal to high level of attention will be paid during the purchasing process ...”

26. However, I accept Ms Blythe’s criticism that the Hearing Officer did not appear to feed this finding of two groups of purchasers and differing levels of attention through to her global determination of likelihood of confusion and, in particular, did not appear to apply the rule that the likelihood of confusion must be judged in the light of the lowest level of attention that would be paid to the purchase act <sup>2</sup> (see e.g., Case T-105/18, *André Deray v. EUIPO* EU:T:2019:194, para. 39).

27. Mr Moss contended that this argument was not open to the Opponent since it was not raised in the Opponent’s skeleton argument at the time.

28. I do not see why. The Hearing Officer made her findings having taken into account the submissions of the parties/evidence in the case. In any event, I was directed to nothing in the Opponent’s skeleton argument before the Hearing Officer that prevented Ms Blythe taking the above points on appeal<sup>3</sup>.

29. In my view this was an error on the part of the Hearing Officer, which would justify my interference but before doing so I move to consider Grounds (4) and (5).

#### **Ground (4)**

30. Ground (4) concerned the aural aspect.

31. The Hearing Officer’s findings on this issue were as follows:

“46. Turning to the aural comparison, the marks are invented words there is no accepted way of pronunciation as there would be for regular dictionary words. The differences in vowel sounds in these marks is likely to alter the pronunciation of the words. If the opponent’s marks are verbalised as VIT-RAR or even VEET-RAR and the applicant’s mark is verbalised as VET-ROW then there is some aural distinction. Taking these factors into account I find that marks are aurally similar to a medium degree.”

32. Ms Blythe’s complaint here was that although the Hearing Officer accepted that the marks were invented words with no accepted way of pronunciation, and whereas the Hearing Officer considered 2x ways in which the Opponent’s marks could be verbalised, she compared this only to 1x way of verbalising the Applicant’s mark,

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<sup>2</sup> I have in mind the purchase of tiles for say a kitchen or bathroom splashback.

<sup>3</sup> Paragraph 14 of the skeleton argument merely stated under the heading “*Average consumer*” that: “The level of attention the average consumer will play when selecting the relevant goods is likely to be above average, but not sufficient to prevent confusion or association”.

even ignoring the way the Applicant had argued that its mark would be verbalised in its Observations.

33. In its Observations filed on 30 May 2020, the Applicant had submitted:
- “10. ... The Applicant’s Mark will be pronounced VEE-TRO, the syllabic emphasis weighing heavily and equally on each syllable ...”
34. I agree with Ms Blythe that the decision indicates that the Hearing Officer did not consider that pronunciation of the Applicant’s mark. On the other hand, she did take into account an alternative way of pronouncing the Opponent’s marks – VEET-RAR.
35. In my view this constituted an omission on the Hearing Officer’s part.
36. I consider that there is justification in Ms Blythe’s point that when the comparison is between possible pronunciations – VEET-RAR versus VEET-ROW (or VEE-TRA versus VEE-TRO) – the aural similarity between the marks is increased.
37. Accordingly, Ground (4) of the appeal was in my judgment meritorious.

#### **Ground (5)**

38. Ground (5) of the appeal was that the Hearing Officer failed to consider whether the distinctive character of the earlier trade marks had been enhanced through use.
39. The Hearing Officer said this:
- “49. The opponent’s marks are invented words which have no meaning in relation to the goods, so I consider them to be inherently distinctive to a very high degree. I have considered the evidence filed on this case showing use of the earlier marks, but in my view, this does not put the opponent in any stronger position with regard to the distinctiveness of the earlier marks.”
40. Ms Blythe observed that it was not possible to discern from this passage whether the Hearing Officer thought that: (a) because the earlier trade marks were invented words their high inherent distinctiveness could be enhanced no further through use; or (b) the Opponent’s evidence was not strong enough to establish enhanced distinctiveness by reason of use.
41. Either way, I find that there is justification in the fifth ground of appeal.
42. The distinctive character of an earlier trade mark as a relevant factor in the global assessment of likelihood of confusion is a scope or deserving of protection issue. Distinctiveness that is enhanced through use leads to an enhanced penumbra of protection that is available to deserving marks be they invented or other types of signs (Case C-3235/05 P, *L’Oréal SA v. OHIM* EU:C:2006:271, para. 43, *Reed Executive plc v. Reed Business Information Ltd* [2004] EWCA Civ 159, para. 81).
43. The Hearing Officer’s findings on the extent of the Opponent’s proven use are stated at paragraph 8, sub-paragraph 1) above.

44. In sum, those findings were that in relation to tiles sold under the VITRA and Vitra earlier trade marks in the UK, the Opponent had achieved turnover figures in 2013 of £24m - £60m increasing by 2018 to £31m - £78m<sup>4</sup>. Moreover, the Opponent's UK advertising spend in the marks during that 5-year period totalled £3m.
45. However, the Hearing Officer failed to explain why that extent of use fell short of establishing enhanced distinctive character in the Opponent's marks for the purposes of globally determining the likelihood of confusion with the contested mark.
46. Whilst not bound to record every thought, a Hearing Officer must give adequate reasoning so that the parties can appreciate, and an appellate tribunal review the result(s) (*REEF Trade Mark* [2002] EWCA Civ 763, para. 29).
47. In passage 49 of the decision under review, any such reasoning was absent in my estimation.

### **Re-appraisal**

48. I have found merit in Grounds (2) – (5) of the appeal. I proceed therefore to make my own assessment of the risk of confusion globally taking into account all the interdependent relevant circumstances of the case (*Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV* EU:C:1999:323, para. 19).
49. First, the goods in Class 19 are identical.
50. Second, whilst the Class 1 and Class 19 goods were complementary, available for purchase through the same trade channels and used by the same users, their nature and mode of use is different. I find that there is a medium degree of similarity between the Class 1 and Class 19 goods.
51. Third, it was accepted that there is a medium degree of visual similarity between the marks.
52. Fourth, were the marks to be pronounced VEET-RO/VEET-RA (or VEE-TRO/VEE-TRA) there is a good degree of aural similarity between the marks beyond the medium degree of similarity apparently found by the Hearing Officer were the marks to be verbalised VIT-RAR/VEET-RAR/VET-ROW.
53. Fifth, I would add that both visually and aurally the marks are the same length, have the same syllabic construction and consist of the same combination of voiced and plosive consonants (V-TR-) in the same order. The differences lie in the arguably softer vowels "I" and "A" on the one hand and "E" and "O" on the other hand.
54. Sixth, as invented words the marks are conceptually neutral
55. Seventh, it was accepted that the average consumer comprised the general public and businesses/professionals who is reasonably well-informed and reasonably observant and circumspect.

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<sup>4</sup> With 1 metre squared of tiles retailing at between £20 - £50.

56. Eighth that said, the average consumer rarely encounters marks side by side and must rely on the imperfect picture of the marks kept in mind. That imperfect picture could to my mind viably be affected by the particular arrangement of the consonants V-TR-.
57. Ninth, the level of attention paid by the average consumer was normal to high depending on the nature/objective of the purchase and the group of average consumers concerned. Regardless, the likelihood of confusion must be assessed according to the lower – normal – level of attention.
58. Tenth, it was agreed that the purchase of the goods would generally be visual by self-selection from retail outlets/catalogues/the Internet, but aural considerations had a part to play including recommendations/assistance from suppliers.
59. Eleventh, the evidence indicated that the Opponent's marks had by the filing date of the contested mark (7 June 2018) gained recognition on the UK marketplace through use in connection with the registered goods. This was in addition to the high distinctive character possessed inherently by the Opponent's marks as invented words.
60. Twelfth, taking all the above factors into account, I find that there was a risk of confusion at the filing date in that the contested mark could be misremembered for the Opponent's marks and vice versa. That risk of confusion was present not only in respect of the identical goods in Class 19 but also the goods in Class 1, which I have found to be similar to a medium degree.

### **Conclusion and costs**

61. In the result the appeal has been successful.
62. Application number 3316126 must be refused registration pursuant to Section 5(2)(b) of the Act.
63. The Opponent is entitled to contributions towards the Opponent's costs of the opposition and the appeal.
64. I will order the Applicant to pay to the Opponent the sums of £1,100 in respect of the opposition and £700 in respect of the appeal; the total sum of £1,800 to be paid by the Applicant to the Opponent within 28 days of the date of this decision.

Professor Ruth Annand, 16 June 2020

Ms Charlotte Blythe of Counsel instructed by Urquhart-Dykes & Lord LLP appeared for the Opponent/Appellant

Mr Jonathan Moss of Counsel instructed by Withers & Rogers LLP appeared for the Applicant/Respondent

