

O-463-19

TRADE MARKS ACT 1994

**TRADE MARK APPLICATION NO. 3274376
BY BRITISH AMERICAN TOBACCO (BRANDS) LIMITED
TO REGISTER AS A TRADE MARK**

PODS

IN CLASS 34

AND

**OPPOSITION THERETO UNDER NO. 412602
BY JT INTERNATIONAL SA**

Background and pleadings

1. On 1 December 2017, British American Tobacco (Brands) Limited (“the applicant”) applied to register **PODS** as a trade mark under number 3274376. The mark was accepted and published in the Trade Marks Journal on 6 April 2018 in respect of the following goods:

Class 34 Cigarettes; tobacco; cigars, cigarillos; lighters; matches; cigarette paper, cigarette tubes, cigarette filters; pocket apparatus for rolling cigarettes; hand held machines for injecting tobacco into paper tubes.

2. JT International SA (“the opponent”) opposes the trade mark on the basis of sections 3(1)(b), 3(1)(c) and 3(1)(d) of the Trade Marks Act 1994 (“the Act”). The opposition under each of these grounds is directed against all of the goods of the application. The opponent’s claims are as follows:

- i) Under s. 3(1)(b), that the mark is an ordinary descriptive term for the goods for which registration is sought and does not, therefore, possess sufficient distinctive character for registration. The mark is not capable of distinguishing the origin of the goods without further information;
- ii) Under s. 3(1)(c), that the mark is descriptive of the goods for which registration is sought. Further and in the alternative that the mark is descriptive of the packaging and method of use of the goods for which registration is sought;
- iii) Under s. 3(1)(d), that the mark has become a common descriptor of the goods for which registration is sought and is now customary in the relevant trade.

3. The applicant filed a counterstatement denying each of the claims made.

4. Both parties filed evidence, which I will summarise to the extent that I consider necessary. A hearing took place before me on 26 June 2019, by video conference, at

which the applicant was represented by Hiroshi Sheraton of Baker & McKenzie LLP and the opponent by Matthew Sammon of Sonder IP Limited.

Evidence

Opponent's evidence

5. The bulk of the opponent's evidence is provided in the two witness statements of Matthew Sammon, then a trade mark attorney at the opponent's original professional representatives, Kempner & Partners LLP. There is also in evidence a witness statement of Adam Bowen, which was filed as part of EU trade mark proceedings.

6. Exhibit MS1 is a print from oxforddictionaries.com which shows synonyms of 'pea pods' as "shell, husk, hull, case, seed vessel", as well as, for technical terms, capsule and legume. It is dated 20 September 2018.

7. A definition of "pod" is provided, also dated 20 September 2018.¹ The most relevant definitions are: "an elongated seed vessel of a leguminous plant" and "a detachable or self-contained unit on an aircraft, spacecraft, vehicle or vessel, having a particular function".

8. There is an article about harvesting tobacco seeds, dated October 2008, from toolmakingart.com which has multiple references to the seeds pods of the plant, as well as prints of eBay listings for tobacco seed pods, dated September 2018.²

9. A number of articles and extracts from websites are exhibited.³ Where the prints are not dated, Mr Sammon states that he downloaded them before the application date. I note in particular the following:

¹ MS2 to Sammon 1.

² MS3-MS4 to Sammon 1.

³ MS5 to MS19 to Sammon 1.

- An article from the applicant's website, said to have been published before 1 December 2017, which concerns a "hybrid tobacco device", similar to an e-cigarette but which heats rather than burns tobacco. It states: "[a]n e-liquid is heated and a vapour is produced that passes through a pod containing tobacco. Although the tobacco is only gently heated (around 35°C) by the vapour this is sufficient to release the tobacco flavour";
- An article from the *Financial Times* dated April 2011. It primarily discusses smoking rates but refers to "[r]ecent innovations [which] include pods in cigarettes that smokers squeeze to release a menthol flavour mid-smoke";
- An article from www.businessinsider.com dated 9 July 2013 about a new vaporiser device from a company called Ploom. It says that the device heats tobacco to extract nicotine and it refers to the tobacco container as a "pod", which is inserted into the device, and which may be flavoured. The price of the device is given in dollars;
- An article entitled "Best Pod Mods of 2017" from vapeanalyst.com. It explains that what the devices are ("[p]od mods, also commonly referred to as pod vapes, are vaping devices that use prefilled or blank e-liquid cartridges") and how they are used. They are all described as using pods filled or fillable with e-liquid, bar one which uses "THC oil pods", said only to be available from dispensaries in certain US states;
- A review of the Ploom 2 e-cigarette from www.gizmodo.com, dated 7 January 2013. It describes the product as vaporising tobacco which comes in "tiny button-shaped tobacco pods". The price is given in dollars;
- Prints from www.electroniccigarette.co.uk, showing "Vape Pods" available for purchase. "Vape pods" appears to be a category available on the site. I note there are references to "the pod vaping style of e-cigs which are becoming more popular" and "pod style vaping", as well as "pod mods" which are said to be an emerging technology which "look very similar to vape pens except they are filled with pod-like cartridges" (pp. 3-4);
- An article from www.vapingpost.com dated 30 August 2016, which is entitled "Are Pod systems the new generation of vaping kits?" and considers the

possibility that, although occupying a small part of the market at present, pod systems may become much more popular;

- A print from www.ecigclick.co.uk about “pod mod” vape kits, which feature “either a closed ‘pod’ containing e-liquid or empty pods that can be refilled”;
- A print from www.ukecigstore.com showing a “mini pod vape kit system” on sale, in sterling. It is a “compact pod system device” to be used with specified pods, which also appear to be available for purchase;
- Prints from cloudalchemist.com which show pod refills for sale, in sterling. The store location is, however, in the USA;
- Prints from www.vapeclub.co.uk dated before the application date, reviewing a vaping kit. There is mention of “big tobacco’s “heat, not burn” process”, as well as “vape pod” or “liquid pod” systems. A particular company’s use of “caps” rather than “pods” is noted;
- A print from www.misticecigs.com about a pod mod device which uses “drop-in pods”;
- A print from www.phixvapor.com, which mentions a pod;
- Prints from www.vapingunderground.com dated September 2016 about new pods available for sale. An accompanying advertisement is for a US wholesaler;
- Prints from www.vaping360.com, dated July 2016, about a device which uses “flavour pods”. A launch in the US is mentioned; it is not clear whether the product was available in the UK.

10. There are prints from www.juul.co.uk, which appear to show “JUULpods” and “pods” being used to describe capsules, containing e-liquid made from nicotine salts extracted from the tobacco leaf, for use with e-cigarettes and vaporisers.⁴ However, the only visible date is the printing date of September 2018. There are also prints from the same website which describe the company and its aim.⁵

⁴ MS21.

⁵ MS22.

11. An article from www.cnbc.com is provided in which Juul is discussed.⁶ It is, however, dated after the relevant date and appears to be concerned with the USA.

12. Mr Bowen's evidence, which is dated November 2013, is that he is the CTO of Ploom, Inc., which was established to research, produce and market alternatives to consuming tobacco and other substances.⁷

13. Mr Bowen's evidence is that his company's products are used in conjunction with tobacco pods. This is supported with documentary evidence, though this appears to concern the USA.⁸ Mr Bowen states that the product was widely available in Austria but accepts that this was not the case throughout the EU. His evidence is that between January 2010 and October 2012 there were over 11,000 visits to his company's website from the UK.⁹ He provides some evidence of enquiries emanating from the UK; whilst it appears that some were from distributors (and one online retailer), no further detail is given.¹⁰

14. Mr Sammon's second statement, provided in reply to the applicant's evidence, contains the following:

- An article from www.euromonitor.com regarding the market in "flavour capsule cigarettes".¹¹ The copyright date is 2018, though there is reference to such products being on the market in the UK since November 2012 and it is said that every major international tobacco company has hybrid capsule brands in its portfolio. There is, however, no use of "pods" in relation to such products;
- an article dated June 2015 from www.conveniencestore.co.uk, which refers to Player's "Crushball" cigarettes. The article refers to these products as "capsule" cigarettes;

⁶ MS23.

⁷ Mr Bowen's statement is filed as exhibit MS20.

⁸ AB1-AB2.

⁹ AB5.

¹⁰ AB7.

¹¹ MS1 to Sammon 2.

- a second article from www.conveniencestore.co.uk, dated September 2013, which describes the introduction of capsule technology across the Pall Mall range.¹² “Pods” is not used to describe either the cigarettes or the technology;
- prints from the Morrisons, Sainsbury’s, Tesco and Waitrose websites, which show capsule cigarettes on sale.¹³ The only visible dates are copyright and printing dates in 2019. The word “pod” is not visible;
- an article dated April 2016 from www.talkingretail.com about an upgrade of the Pall Mall range of cigarettes.¹⁴ The term “capsule”, not “pod”, is used to describe the goods;
- pages from the applicant’s website, though the only visible date is the printing date of March 2019.¹⁵ I can see no use of “pods”;
- articles from www.talkingretail.com, dated May 2013 and March 2016, which discuss the launch by Philip Morris UK and Imperial Tobacco of capsule cigarettes.¹⁶ The terms “capsule” and “crushball” are used to describe the goods. “Pods” is not visible;
- prints from the Sainsbury’s, ASDA and Tesco websites are exhibited which show the products on sale, though the only visible dates are in 2019.¹⁷ The word “pods” is not used;
- an article dated November 2012 from www.talkingretail.com which discusses the launch of a capsule cigarette in the UK by JTI.¹⁸ The terms “capsule” and “filter ball” are used; “pod” is not visible.

Applicant’s evidence

15. The applicant’s evidence is provided by Stuart Aitchison, an Authorised Attorney of the applicant.

¹² MS3 to Sammon 2.

¹³ MS4 and MS7 to Sammon 2.

¹⁴ MS5 to Sammon 2.

¹⁵ MS6 to Sammon 2.

¹⁶ MS8 and MS10 to Sammon 2.

¹⁷ MS9 and MS11 to Sammon 2.

¹⁸ MS12 to Sammon 2.

16. Prints from www.collinsdictionary.com showing various definitions of “pod” are provided, the most relevant of which are:

“1) the fruit of any leguminous plant, consisting of a long two-valved case that contains seeds and splits along both sides when ripe;

2) the seedcase as distinct from the seeds;

[...]

4) a streamlined structure attached by a pylon to an aircraft and used to house a jet engine (podded engine), fuel tank, armament, etc.;

5) an enclosed cabin suspended from a cable or a big wheel, for carrying passengers”.¹⁹

17. There is evidence regarding the type of packaging in which cigarettes are sold, though as the searches appear to have been for “cigarette packs” this evidence is of little assistance.²⁰ None of it appears dated before the relevant date.

18. Undated results of image searches for “tobacco” and “tobacco packaging” are also provided.²¹ Cigarettes, cigarette packets and what appears to be loose tobacco are visible but the text accompanying the images is illegible. Similar undated image search results for “cigars packaging”, “cigarillos”, “lighters”, “matches”, “cigarette tubes”, “cigarette filters pack” and “rolling cigarettes machine” are exhibited.²²

19. A *Wikipedia* article regarding “rolling paper” is adduced.²³ It was last edited in November 2018 (i.e. after the relevant date).

20. Two decisions of the EUIPO are also provided, being a cancellation division decision from 2015 and the subsequent appeal decision dated December 2016.²⁴ Neither is binding upon me but I confirm I have read both.

¹⁹ SPA1.

²⁰ SPA3-SPA4.

²¹ SPA5, SPA6.

²² SPA7-SPA10, SPA12-SPA14.

²³ SPA11.

²⁴ SPA16-SPA17.

Decision

21. The relevant parts of s. 3 of the Act read:

“3(1) The following shall not be registered –

(a) [...]

(b) trade marks which are devoid of any distinctive character,

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it”.

22. There is no claim to acquired distinctiveness. The relevant date for determining whether the mark is objectionable under the above grounds is the date of application, i.e. 1 December 2017.

23. I bear in mind that the above grounds are independent and have differing general interests. It is possible, for example, for a mark not to fall foul of section 3(1)(c), but still be objectionable under section 3(1)(d) and/or 3(1)(b) of the Act: SAT.1

SatellitenFernsehen GmbH v OHIM, Case C-329/02 P at [25]. However, Mr Sammon accepted at the hearing that the opponent's case under s. 3(1)(b) is not advanced on a different basis from that under s. 3(1)(c), with which it will stand or fall. I proceed on that basis.

24. The position under the above grounds must be assessed from the perspective of the average consumer, who is deemed to be reasonably observant and circumspect: *Matratzen Concord AG v Hukla Germany SA*, Case C-421/04. The parties are not agreed on the identity of the average consumer. Mr Sammon submitted that the average consumer includes those who wish to grow and harvest their own tobacco, even if they are not the dominant group. Mr Sheraton disputes this, arguing that the average consumer is the UK smoking public.

25. Seeds for sowing/planting are not proper to class 34 but to class 31. There is no evidence that tobacco seeds would be used for any other purpose than for the production of tobacco plants, from which the leaves might be taken to make tobacco. Although the specification includes tobacco, it does not cover tobacco seeds. I therefore think it unlikely that the average consumer will include a significant number of individuals who wish to grow their own plants from seed, certainly not enough for them to be considered a distinct and relevant group of average consumer. Instead, the goods are all goods which are consumed by the adult smoking public. The goods may also be purchased by businesses, particularly retailers and wholesalers. In terms of the consumer's level of attention, the goods at issue strike me as neither particularly expensive nor infrequent purchases. I see no reason why the member of the public purchasing such goods would pay any more or less than a medium level of attention. The business consumer is likely to be making purchases involving greater quantities and expenditure and will pay a reasonably high level of attention.

Section 3(1)(c)

26. The case law under section 3(1)(c) (corresponding to article 7(1)(c) of the EUTM Regulation, formerly article 7(1)(c) of the CTM Regulation) was set out by Arnold J. in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch) as follows:

“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40 , p. 1), see, by analogy, [2004] ECR I-1699 , paragraph 19; as regards Article 7 of Regulation No 40/94 , see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18 , paragraph 30, and the order in *Streamserve v OHIM* (C-150/02 P) [2004] E.C.R. I-1461 , paragraph 24).

36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94 . Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia , *Henkel KGaA v*

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44 , paragraph 45, and Lego Juris v OHIM (C-48/09 P) , paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley* , paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94, it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie* , paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM (C-80/09 P)*, paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 35, and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are

other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94 , the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word 'characteristic' highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56)."

92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic

of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97].”

27. In *Fourneaux de France Trade Mark*, BL O/240/02, Geoffrey Hobbs Q.C., sitting as the Appointed Person, stated that:

“Having listened with care to the arguments that have been addressed to me on this appeal, I have come to the conclusion that cooker hoods and extractors are closely connected items of commerce, and that they are both so closely connected with cookers that it would be unrealistic to treat the words FOURNEAUX DE FRANCE as descriptive of the character of the latter but not the former. The expression "cookers from France" is descriptive at a high level of generality. That makes it suitable, in my view, for descriptive use in the marketing of units of equipment of the kind found in modern cooker installations including not only grilling and roasting units, but also hood and extractor units”.

28. The opponent’s first claim under this ground is that “pods” is directly descriptive of tobacco seed pods. It is. Seed pods are not, however, covered by the specification. I reject this argument. The remaining limbs of the claim are that “pods” describes either a container for/used with the goods, or their method of use.

29. The parties did not address me in detail on the extent to which “cigarettes” is a term which includes electronic cigarettes. The applicant’s position is that the opponent’s evidence in chief concerns e-cigarettes and e-liquids and, as a consequence, does not relate to goods in the contested specification. I do not agree with Mr Sheraton that “cigarettes” in the contested specification does not include within it electronic cigarettes. I acknowledge that such a distinction appears to have been drawn at examination stage. My view is, however, that the average consumer will consider that electronic cigarettes are a subcategory of cigarettes at large and that electronic cigarettes are,

therefore, relevant goods in this assessment. This conclusion is reinforced by the *Oxford English Dictionary* definition of “cigarette” as not only “a thin cylinder of finely cut tobacco rolled in paper for smoking” but also “an object similar to a cigarette containing a narcotic or herbal substance”.²⁵

30. I acknowledge that none of the dictionary definitions of “pod” provided by the parties specifically refers to the goods at issue. There are also multiple meanings of the word “pod”. However, it seems to me that the average consumer will, in certain contexts, readily understand the term “pod” to mean a case or capsule, usually enclosing a specific product (for example, a coffee pod or, in the case of a big wheel, people).

31. In terms of the evidence provided by the opponent, much is not specific to the UK. The article from the applicant’s own website refers to a tobacco “pod” through which vapour passes. The site is not clearly directed to the UK but nor has the applicant denied that this page appeared on its UK website. There are prints from the UK sites www.electroniccigstore.co.uk, www.ecigclick.co.uk, www.ukecigstore.com and www.vapeclub.co.uk, all of which refer to pod vaping/pod systems and/or pods for use with electronic cigarettes. All are said to be from before the relevant date, which has not been challenged, and I note that, where a date is visible, it is either 2016 or 2017. There is also evidence from after the relevant date of “pod” being used in a similar way.

32. Further, there is some evidence that cigarette pods may not only contain e-liquids or nicotine solutions but that tobacco can be presented in capsules or pods, for use with “heat not burn” technology. I have already acknowledged that the print of the applicant’s website is not explicitly focused on the UK but I note that this is not the only instance of such technology referenced in the opponent’s evidence: it is noted in the www.vapeclub.co.uk web print. It is also the case that actual descriptive use is not required to sustain an objection under s. 3(1)(c).²⁶

²⁵https://www.oxfordreference.com/view/10.1093/acref/9780199571123.001.0001/m_en_gb0149900?rskey=aJbdKn&result=1 [accessed 1 August 2019].

²⁶ See, for example, *OHIM v Wrigley* (“Doublemint”), Case C-191/01.

33. Bearing in mind what I consider to be a commonly understood meaning of the word “pod”, combined with the use which has been demonstrated in relation to capsules for electronic cigarettes, themselves frequently described as “pod” systems, and the rapid advances in technology in this sector over the last several years, my view is that “PODS” is a sign which may serve in trade to designate a characteristic of cigarettes and tobacco, i.e. that the goods use or are available in pods. I consider that the same applies to cigars and cigarillos. Although there is no evidence that liquid or tobacco pods are currently used with electronic cigars or cigarillos, I see no reason why e-cigars or e-cigarillos would not be available with similar technology. The term is, therefore, liable to be used by undertakings in the future to describe such goods.

34. I have not overlooked the fact that the contested mark is “PODS”, not “pod”. I do not think that the difference is material. “PODS” is simply the plural of “pod” and the difference is liable to go unnoticed by both groups of consumer. Even if it is noticed, the average consumer is likely to accord the same descriptive meaning to the applied-for variant as to the term “pod”.

35. There is no evidence of “PODS” (or “pod”) being used in relation to the remaining goods. Nor does the term seem apt to describe either the goods or any characteristic of them. I acknowledge that it is possible for a cigarette to include a flavoured capsule in the filter tip but the only evidence of “pod” being used to refer to such a device is one article from 2011: the more recent evidence refers to “capsule” or “crushball”. I therefore think it unlikely that, were such items available for purchase (including to be used in conjunction with goods such as filter paper and cigarette tubes), they would be referred to as “pods”. I have also considered the position in light of Mr Hobbs’ decision in *Fourneaux de France*. However, I do not consider the remaining goods in the specification to have a sufficiently close connection to the objectionable goods that the term “PODS” can also be considered descriptive of them. They are items of smokers’ paraphernalia which are unlikely to be used alongside electronic cigarettes. In terms of the opponent’s claim that “PODS” describes the receptacle for these goods, whilst I accept that it is not inconceivable, I do not consider that is a realistic proposition,

particularly in the absence of any evidence that such goods are indeed offered in pods or that the public has a clear understanding of what “pods” are, either as containers in general or for those goods in particular. In such circumstances, my finding is that there is an insufficiently direct and immediate association between the word “pods” and those goods to sustain the objection under s. 3(1)(c).

36. Despite being advised that it may file a fall-back specification in the tribunal’s letter of 28 March 2019, the applicant has not provided any such specification on which an alternative assessment may be made. In these circumstances, I do not consider it necessary to invite the applicant again to offer an alternative specification for assessment.

Section 3(1)(b)

37. The principles to be applied under article 7(1)(b) of the CTM Regulation (which is now article 7(1)(b) of the EUTM Regulation and is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the Court of Justice of the European Union in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P) as follows:

“29. [...] the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 32).

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the

product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v OHIM*, paragraph 34; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v OHIM* [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 78; *Storck v OHIM*, paragraph 26; and *Audi v OHIM*, paragraphs 35 and 36).

33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Joined Cases C-473/01 P and C-474/01 P *Proctor & Gamble v OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel v OHIM*, paragraphs 36 and 38; and *Audi v OHIM*, paragraph 37)".

38. Whilst this ground of objection is independent of the grounds already considered, Mr Sammon accepted at the hearing that there was no alternative basis for the claim and

that the success of the ground would depend on the outcome under s. 3(1)(c). The ground therefore succeeds and fails to the same extent as decided above.

Section 3(1)(d)

39. In *Telefon & Buch Verlagsgesellschaft GmbH v OHIM*, Case T-322/03, the General Court summarised the case law of the Court of Justice under the equivalent of s.3(1)(d) of the Act, as follows:

“49. Article 7(1)(d) of Regulation No 40/94 must be interpreted as precluding registration of a trade mark only where the signs or indications of which the mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought (see, by analogy, Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraph 31, and Case T-237/01 *Alcon v OHIM – Dr. Robert Winzer Pharma* (BSS) [2003] ECR II-411, paragraph 37). Accordingly, whether a mark is customary can only be assessed, firstly, by reference to the goods or services in respect of which registration is sought, even though the provision in question does not explicitly refer to those goods or services, and, secondly, on the basis of the target public’s perception of the mark (BSS, paragraph 37).

50. With regard to the target public, the question whether a sign is customary must be assessed by taking account of the expectations which the average consumer, who is deemed to be reasonably well informed and reasonably observant and circumspect, is presumed to have in respect of the type of goods in question (BSS, paragraph 38).

51. Furthermore, although there is a clear overlap between the scope of Article 7(1)(c) and Article 7(1)(d) of Regulation No 40/94, marks covered by

Article 7(1)(d) are excluded from registration not on the basis that they are descriptive, but on the basis of current usage in trade sectors covering trade in the goods or services for which the marks are sought to be registered (see, by analogy, *Merz & Krell*, paragraph 35, and *BSS*, paragraph 39).

52. Finally, signs or indications constituting a trade mark which have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services covered by that mark are not capable of distinguishing the goods or services of one undertaking from those of other undertakings and do not therefore fulfil the essential function of a trade mark (see, by analogy, *Merz & Krell*, paragraph 37, and *BSS*, paragraph 40)".

40. In *Stash Trade Mark* BL O/281/04, Ruth Annand (sitting as the Appointed Person) provided further guidance, stating:

"33. In the event, I do not believe this issue of the interpretation of section 3(1)(d) is central to the outcome of the appeal. "Customary" is defined in the Oxford English Reference Dictionary, 1995 as: "usual; in accordance with custom". In my judgment, the Opponent has failed on the evidence to prove that at the relevant date STASH contravened section 3(1)(d) as consisting exclusively of signs or indications which have become customary either in the current language or in trade practices for the goods concerned".

41. There is some evidence that "pods" has been used in relation to the contested cigarette and tobacco goods, though there is no evidence at all in relation to the remaining goods in the specification. There is, however, only limited evidence which clearly concerns the UK and I am not prepared on the basis of the evidence before me to infer that the US use is representative of the position in the UK: if "PODS" is customary in the trade, it ought to have been relatively straightforward for the opponent to show it. The evidence as a whole is insufficient to establish that "PODS" had become

customary in the trade for any of the goods at the relevant date. The ground under s. 3(1)(d) fails.

Conclusion

42. The opposition has succeeded in part. The mark will be refused for “cigarettes; tobacco; cigars; cigarillos”. It will proceed to registration for the remaining goods.

Costs

43. Both parties have had a measure of success. I order the parties to bear their own costs.

Dated 9 August 2019

Heather Harrison

For the Registrar

The Comptroller-General