

O/501/20

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. 3402819

IN THE NAME OF TOTEM BAGS LIMITED FOR THE TRADE MARK

TOTEM

IN CLASS 18

AND

THE OPPOSITION THERETO UNDER NO. 417241

BY ESSENTIAL EXPORT S.A.

Background and pleadings

1. Totem Bags Limited (the applicant) applied to register the trade mark no. 3402819 in the UK on 29 May 2019. It was accepted and published in the Trade Marks Journal on 07 June 2019 in respect of the following goods:

Class 18: Bags;Bags for school;Bags for sports;Bags for sports clothing;Bags for travel;Bags made of imitation leather.

2. Essential Export S.A. (the opponent) opposes the trade mark on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (the Act). This is on the basis of, amongst others, its earlier European Union Trade Mark no. 15213457 for

 . The following goods are relied upon under this mark in this opposition:

Class 18: Leather and imitation leather, Trunks(luggage), Valises, Carrying cases, Portfolio bags, Wallets, Haversacks; Umbrellas and parasols, walking sticks, except haversacks intended for practising sports and except goods intended for practising sports.

3. The opponent also relies on its earlier UK trade mark registration under Section 5(2)(b), namely UK trade mark registration no. 3179586 for the mark

 . The following goods are relied upon under this mark in this opposition:

Class 18: Suitcases and trunks made of canvas, synthetic materials, leather and leather imitations; travelling bags, carry on bags, duffle bags, brief-case type portfolios, purses, and wallets made of leather and imitation leather; except backpacks designed for the practice of sports and products designed for the practice of sports.

4. The opposition was also based on a further ground, namely Section 5(3) of the Act, but this ground was withdrawn upon instruction from the opponent on 6 January 2020.
5. The opponent argues that the respective goods are identical or similar and that the marks are visually highly similar and share significant aural similarities. The opponent acknowledges there are conceptual differences but submits these are not enough to distinguish the marks when considering the aural and conceptual similarities. The opponent argues the result of the sum of the similarities is a likelihood of confusion between the marks, including a likelihood of association.
6. The applicant filed a counterstatement denying the claims made. The applicant states that the opponent's marks incorporate "substantial stylisation" and are in a "non-standard font that is likely bespoke", with a conjoined double T that evokes the mathematical Pi (π) symbol. The applicant claims that for this reason not all consumers will know to enunciate the mark as TOTTO. The applicant claims the interested market is perfectly able to distinguish between marks beginning with TOT in class 18 (of which it claims there are many), and that the beginning, middle and end are of equal importance in the opponent's mark. The applicant claims that the marks are conceptually dissimilar, stating the applicant's mark connotes a special symbol, and the opponent's connotes Dorothy's dog (from 'The Wizard of Oz') or a US rock band, or for some consumers, the Latin expression meaning "as a whole". The applicant concedes to similarity in respect of "some (if not all)" of its goods with the opponent's goods but submits that the differences between the marks outweigh these similarities. The applicant requests that the opposition is dismissed, and that costs are awarded in its favour.
7. Only the applicant filed evidence in these proceedings. The opponent filed submissions during the evidence rounds, which will not be summarised but will be considered and referred to where appropriate. The evidence filed by the applicant will be summarised to the extent it is necessary to do so.

8. No hearing was requested. Only the applicant filed written submissions in lieu of a hearing. These submissions will not be summarised but will also be considered and referred to where appropriate. This decision is taken following a careful perusal of the papers.
9. Both parties are professionally represented in these proceedings. The opponent is represented by The Trademark Cafe Limited and the applicant by Harrison IP.

Evidence

10. The applicant filed evidence by way of a witness statement in the name of Nadine Hirschfield and 12 exhibits namely Exhibits NH1-NH12. The witness statement explains that Ms Hirschfield has been managing director of the applicant since February 2012.
11. **Exhibit NH1** consists of an extract from Companies House evidencing that Ms Hirschfield is a director, and that the company was incorporated on 23 February 2012.
12. **Exhibit NH2** consists of records from the Companies and Intellectual Property Commission of South Africa showing details of a company which Ms Hirschfield states is related to the applicant, namely Splash Out CC, with a registration date of 14 March 1996. The document details Ms Hirschfield's position as a managing member. Ms Hirschfield states this company is trading as Totem Bags.
13. **Exhibit NH3** shows evidence of the applicant's UK domain name registration for www.totembags.co.uk on the 'WHOIS' UK lookup tool.
14. **Exhibit NH4** shows a screenshot of the Applicant's website from 12 April 2013 the archiving website "WayBack Machine".

15. **Exhibit NH5** is an extract from the co.za Registry showing the domain www.totembags.co.za is owned by Splash Out CC was registered in 2005.
16. **Exhibit NH6** shows use of the TOTEM mark on the website referenced at Exhibit NH5 since 30 September 2006.
17. Ms Hirschfield states in the witness statement that the applicant exhibited bags under the mark TOTEM at the London Stationery Show in 2013. The following Exhibits have been filed in this respect:
- **Exhibit NH7** showing an invoice sent to Splash Out CC in respect of this event;
 - **Exhibit NH8** showing a web article referencing the event and the TOTEM bags;
 - **Exhibit NH9** showing another web article referencing the events success.
18. Ms Hirschfield states in her witness statement that after the event the applicant received a “high rate of interest from potential wholesalers and retailers” and contracted 3 UK agents to promote the TOTEM brand to British buyers. **Exhibit NH10** provided shows correspondence with one of the agents.
19. **Exhibit NH11** contains an extract from the UK register evidencing a previous mark owned by the applicant for TOTEM and device (stylised). **Exhibit NH12** shows invoices relating to sales under TOTEM BAGS LTD.

Proof of use

20. The two earlier registrations upon which the opposition has been based registered on 22 August 2016 (15213457) and 9 December 2016 (3179586). As the application was filed on 29 May 2019, both earlier registrations were under five years old at the time the application was filed, and so neither are subject to use requirements under section 6A of the Act.

Preliminary issues

21. The evidence filed by the applicant appears to be centred around the applicant's claim to have used the mark TOTEM in the UK for several years prior to the filing of its application and prior to the opponent's earlier marks being filed, in addition to having an earlier registered trade mark. Much of the applicant's submissions also reference this point. It is unclear whether the applicant is attempting to rely on a particular defence in this respect, but it makes the following statements in its submissions:

“The Applicant enjoys earlier registered rights in TOTEM, as well as goodwill arising by virtue of its use of the mark over a period of years. The Applicant's earlier rights precede the earlier registrations relied upon by the Opponent in these proceedings, and in even the most charitable construction, the Opponent has at least coexisted with the Applicant's mark in the UK mark (if, indeed, the Opponent's mark is even in use in the UK) for a period approaching a decade.

The Opponent has submitted no evidence to contest the Applicant's earlier use or to impugn its earlier rights in any way. As such, the evidence, which the Applicant contends renders even more remote any reasonable likelihood of confusion between the Applicant's and Opponent's marks, must be accepted by the Tribunal on its face.”

22. The applicant appears to be making several arguments on this point, all of which I find to be either irrelevant or to have no impact in the context of these proceedings. The applicant claims that it is the holder of earlier rights for TOTEM. This may (or may not) be so. There is no application before this Tribunal to invalidate the opponent's earlier marks upon which this matter is

based. The applicant may not claim a level of goodwill as a defence in the matter in hand.¹

23. As the applicant has not applied to invalidate the earlier rights owned by the opponent, I must take the opponent's earlier rights as valid earlier rights for the purpose of this opposition.

24. The next argument that it seems the applicant is submitting is that there has been coexistence between parties and trade marks for a period of time, and that this "renders even more remote any reasonable likelihood of confusion between the Applicant's and Opponent's marks". Primarily I take issue with the substance of this argument put forward by the applicant. It is clear from the applicant's statement that it is unsure whether the opponent has used its mark in the UK. The applicant cannot coherently claim both that the marks have coexisted on the UK market for nearly a decade, and also that the opponent's marks may not have been used in the UK at all. Even it is the case that the marks have coexisted in the UK market for a period of time in some capacity without confusion, this is not determinative that no likelihood of confusion will exist in the respect of this matter. I acknowledge that a long and sustained period of coexistence on the market without any confusion may be indicative that confusion is unlikely to arise, but this submission has clearly not been substantiated by the applicant. For this point to even be considered, evidence of the marks coexisting peacefully in the UK marketplace for a sustained period would be required, and evidence only in respect of the applicant's mark in use in the UK will hold no weight. At this point I make no claim that confusion will exist in this capacity, I simply wish to outline some of the reasons that I will not consider the unevicenced claim of coexistence as having any bearing on the outcome of these proceedings².

¹ See *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09 in which Ms Carboni rejected the defence as being wrong in law. See also paragraphs 4 & 5 of Tribunal Practice Notice 4/2009 attached as Annex A to this decision which provides further guidance on this.

² See further information on the reliance on the absence of confusion in the marketplace at paragraphs 6-9 of Tribunal Practice Notice 4/2009 attached as Annex A to this decision.

25. I further note that the applicant has filed details of previous cases where the EU Intellectual Property Office has decided that marks sharing the same first three letters are dissimilar. The applicant acknowledges that the Hearing Officer will not be bound by the EU IPO decisions, but that “inasmuch as they all follow the same pattern of overlap relied upon by the Opponent in this opposition, are certainly instructive”. I disagree entirely with this statement. Not only did the applicant fail to provide copies of the cases referenced, but I find from the table provided the subject of the decisions bear no meaningful similarity or parallel to this case. I understand the applicant’s sentiment that marks sharing the initial three letters of a word is not always determinative of a finding of likelihood of confusion, but this is clear without reference to the cases referenced. Each case must be decided on its own merits, and I find the list provided to be of no assistance to the applicant’s case.

26. Further, the applicant has also submitted ‘state of the register’ evidence within its written submissions by way of a table listing marks beginning with TOT on the UK and EU registers covering class 18. I note firstly that this would be more suited for filing during the evidence round. However, I find this type of ‘state of the register’ evidence to be of no assistance to the applicant in this case regardless. This table completed with registration details and class number offers no context in respect of the conditions of the marketplace or whether these marks have been used and does not provide any indication as to whether the consumer has, through the use of TOT marks in respect of the relevant goods, become accustomed to differentiating between them. I do not consider this evidence as assisting the applicant’s case in this opposition.

DECISION

Section 5(2)(b)

27. Section 5(2)(b) of the Act is 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”.

Section 5A

28. Section 5A of the Act is as follows:

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

The Principles

29. The following principles are gleaned from the decisions of the Court of Justice of the European Union (“CJEU”) 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.

The principles

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

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

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

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

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

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

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

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

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

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

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

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

Comparison of goods and services

Similarity of goods and services – Nice Classification

30. The categorising of goods and services into classes serves an administrative purpose. The fact that after categorisation, goods or services fall into the same class is not sufficient for a finding of similarity between the terms themselves. Similarly, terms are not dissimilar simply on the basis they fall within a different class. This is reflected within Section 60A of the Act, which is set out below.

31. Section 60A of the Act provides:

“(1) For the purpose of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification.

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the "Nice Classification" means the system of classification under the Nice Agreement Concerning the International

Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1975.”

32. Similarity between terms is to be considered based on the criteria set out by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, as well as the factors in *Canon*³. These cases references factors including the nature, intended purpose, method of use, and whether they are complementary or in competition, alongside other factors such as the trade channels, users, and where the goods or services are likely to be found. In respect of identity of goods, in *Gérard Meric v Office for Harmonisation in the Internal Market, 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 fur 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”.

33. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or

³ *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc, Case C-39/97*

phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

34. In *Sky v Skykick* [2020] EWHC 990 (Ch), Lord Justice Arnold considered the validity of trade marks registered for, amongst many other things, the general term 'computer software'. In the course of his judgment he set out the following summary of the correct approach to interpreting broad and/or vague terms:

"...the applicable principles of interpretation are as follows:

(1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.

(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.

3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.

(4) A term which cannot be interpreted is to be disregarded."

35. With these factors in mind, the goods for comparison are as follows:

Opponent's goods	Applicant's goods
<p>EU registration no. 15213457 <i>Class 18: Leather and imitation leather, Trunks(luggage), Valises, Carrying cases, Portfolio bags, Wallets,</i></p>	<p><i>Class 18: Bags;Bags for school;Bags for sports;Bags for sports clothing;Bags for travel;Bags made of imitation leather.</i></p>

<p><i>Haversacks; Umbrellas and parasols, walking sticks, except haversacks intended for practising sports and except goods intended for practising sports.</i></p>	
<p>UK registration no. 3179586 <i>Class 18: Suitcases and trunks made of canvas, synthetic materials, leather and leather imitations; travelling bags, carry on bags, duffle bags, brief-case type portfolios, purses, and wallets made of leather and imitation leather; except backpacks designed for the practice of sports and products designed for the practice of sports.</i></p>	

Bags; Bags for travel; Bags made of imitation leather.

36. The opponent covers *travelling bags* under its UK mark no. 3179586. I find these goods to be clearly identical to *Bags for travel* above, as covered by the application. Further, I find that both *Bags* and *Bags made of imitation leather* include the opponent's *travelling bags* (amongst others) and are therefore identical within the meaning of *Meric*.

Bags for school;

37. The opponent covers *Portfolio bags* under EU trade mark no. 15213457, and *duffle bags* under UK trade mark 3179586. I find these to be included within the meaning of *Bags for school*. I therefore find the applicant's goods to be identical within the meaning of *Meric* to those covered by the opponent. However, if I am wrong about the identity in this instance, I find the opponent's goods namely *Portfolio bags* and *duffle bags* to be similar to the applicant's

goods *Bags for school* to a high degree, as these goods will often share nature, trade channels, and be in competition with each other, on the basis that older children and young adults (or their parents and guardians) may consider all these options when looking for bags within which to carry books, notepads, pens and projects and kit for school. In addition, the goods will likely be found within the same section and often the same shelf in stores.

Bags for sports; Bags for sports clothing

38. I note the opponent excludes *goods intended for practising sports* under its earlier EU mark, and *products designed for the practice of sports* under the opponent's UK mark. However, the exclusion of goods for this purpose does not mean that there must be no similarity with the above goods covered by the applicant. The opponent covers goods including *Haversacks; except haversacks intended for practising sports* under its EU mark, and *travelling bags, carry on bags, duffle bags, except products designed for the practice of sports* under its UK mark. I find these items to have the same nature, the same broad intended purpose (namely for carrying various items, often including clothing, from one place to another), and to often be in competition with one another, as the consumer may purchase the applicant's bags for sports or sports clothing for use as a travelling bag, or a duffle bag or haversack for using to carry sports kit. I find this to be quite common, regardless of the intention for the bags themselves. I find these items will often share trade channels, and that the items will often be sold within the same section of larger shops. I find these items to be similar to the applicant's goods above from between a medium to a high degree.

Comparison of marks

39. 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 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.”

40. 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.

41. The opponent has based the opposition on two separate marks, but the image of both marks appears identical. I will therefore refer to the opponent’s mark in singular form during the comparison. The marks for comparison are set out below:

	TOTEM
Earlier trade mark	Contested trade mark

42. The overall impression of the earlier mark is held in its entirety, with the most dominant and distinctive element being the word TOTTO, with the colour infill

of the 'O's also playing a secondary role, followed by the stylisation of the lettering itself.

43. The overall impression of the applicant's word mark is also held in the mark in its entirety, but in this case no element is more dominant or distinctive than any other element of the mark.

44. Within its TM8, the applicant makes the following statement about the opponent's mark:

"The opponent's sign makes use of an unusual, conjoined double-T in the middle of the mark that evokes the mathematical Pi (π) symbol; this unusual lettering may not even be perceived immediately by the average consumer as a double T."

45. I disagree with the applicant's statement above. The stylisation of the middle of the opponent's mark is very similar to the single T at the beginning of the same, and it is my view that this will be immediately perceived as a double T by the consumer, not as the symbol for Pi. Even if it is accepted that the middle of the mark is "resembling the π symbol as much as a double T" as the applicant has stated in its submission, I still find there is no reason for the consumer to view the symbol as anything other than a double T, which they will be far more accustomed to seeing embedded in a word. Whilst I admit it is possible that for a very small number of consumers will view this *also* as a Pi symbol in addition to the double T, it is my view that the number of consumers viewing the mark in this way will be few and far between.

Visual comparison

46. Visually the earlier mark is dominated by the word TOTTO, but the colour infill of each letter O makes an impact on its visual appearance. The stylisation of the earlier mark also has an impact on its visual appearance, but I keep in mind the applicant's mark is filed as a word mark, and so fair and notional use

of the same may result in it being used in a similar stylisation to the opponent's mark.

47. The applicant submits that the colours used by the opponent are claimed as an "essential and distinctive" element in the opponent's mark on the EU register. The opponent submits that this is not claimed in respect of the earlier UK mark. I consider that notional and fair use of the applicant's word mark allows for its use in any colour, and in varying fonts. However, it is my view that the infill of the hollows in the letters 'O' is unusual, changing the distinctive character of the earlier mark, and therefore falls outside of the notional and fair use of the applicant's mark. I therefore find the colour infill remains a point of visual difference in both the EU and UK earlier marks regardless of whether this is claimed on the register. The marks coincide visually in the letters TOT, and this element is at the start of the mark where the consumer generally pays more attention⁴, but within this conflicting element the colour infill in the earlier mark adds a point of visual difference. The marks differ visually at the end in 'TO' and 'EM', and again the colour infill used in the opponent's 'O' adds an additional point of visual difference and draws the consumer's eye to this part of the opponent's mark. Considering the points of difference and the points of similarity between the marks, I find the marks to be visually similar to between a low and medium degree.

Aural comparison

48. Aurally I find that the first syllable of each mark will be pronounced identically, as 'tow' or 'toe'. I find the second syllable of each mark will be pronounced differently. The first syllable of both marks is repeated identically for a second time in the earlier mark, and the applicant's ends with an EM, making an 'EHM' sound at the end of the mark. I find the marks to be aurally similar to a medium degree.

⁴ See paragraph 81 of the General Court decision *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

Conceptual comparison

49. The applicant submits the applicant's sign is "the English word totem, which connotes a special symbol in the mind of the consumer". I agree with the applicant that the word totem will, for the English speaking consumer, immediately give rise to a conceptual meaning. However, it is my view that this is most likely to give rise to the concept of a totem pole in the consumer's mind, namely a wooden pole carved with various signs and symbols with a spiritual meaning. In my view this is the most known use of the word totem in the UK, and the one that will immediately be conceptualised by the majority of consumers. I find that there may be a smaller number of consumers for whom a TOTEM will mean a special symbol as described by the applicant.

50. I note the applicant's submission that the opponent's mark will bring to mind the concept of the dog from the Wizard of Oz, the American rock band, or for some consumers, the Latin expression meaning "as a whole". I also note the opponent's admission within its submissions that the marks are not similar conceptually, but that the opponent maintains its mark has no specific meaning. In this instance I am inclined to agree with the opponent, as I believe for the majority of consumers the mark TOTTO will bring to mind no specific meaning. I acknowledge that for a few fans (of Wizard of Oz or of the American rock band) one of these concepts may be brought to mind, and for a few linguists perhaps a Latin meaning will be relevant but I find the portion of consumers who will assign a meaning to the opponent's mark to be small.

51. As there is a clear concept present in the applicant's mark that is missing from the earlier mark, I find the marks to be conceptually dissimilar.

Average consumer and the purchasing act

52. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's

level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

53. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

54. I find the relevant consumer of both the applicant’s and the opponent’s goods to consist primarily of members of the general public. I consider also that the professional public will make up a small portion of the relevant consumer, purchasing these goods on behalf of a client or on behalf of a business. I do not find any reason for the general public to pay a particularly high degree of attention in respect of the goods, but I do find that they will consider factors such as quality, practicality and aesthetics before purchasing the goods in this instance, and I therefore find the general public will pay an average degree of attention. In respect of the smaller portion of the professional public, I find there will likely be additional considerations as to marketability, profitability or suitability for their client or business, and so a slightly higher than average degree of attention may be paid.

55. I find the goods will be purchased primarily on visual inspection in shops and online, but that aural considerations cannot be discounted due to the possibility of verbal assistance from retail staff, as well as verbal recommendations.

Distinctive character of the earlier trade mark

56. 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).”

57. I find the earlier mark to be a made-up word, and that it is neither descriptive nor allusive of the goods. I find the earlier mark inherently distinctive to an above average degree.

58. The opponent has not filed any evidence in respect of the use of its mark, and I cannot therefore find that the distinctive character of the earlier mark has been enhanced through use.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

59. Prior to reaching a decision on this matter, I must first consider all relevant factors, including those as set out within the principles A-K at paragraph 29 of this decision. I must view the likelihood of confusion through the eyes of the average consumer, who is deemed to be reasonably well informed 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. I must consider the level of attention paid by the consumer, and consider the impact of the visual, aural and conceptual similarities of the marks by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. I must consider that a likelihood of confusion may be increased where the earlier mark holds a high degree of distinctive character, either inherently, or due to the use made of the same, and that a lesser degree of similarity between the goods may be offset by a greater degree of similarity between the marks and vice versa. I must also consider that both the degree of attention paid by the consumer and how the goods or services are obtained will have a bearing on how likely the consumer is to be confused.

60. I consider at this point that there are two types of confusion that I may find. The first type of confusion is direct confusion. Direct occurs where the consumer mistakenly confuses one trade mark for another. The second is indirect confusion. This occurs where the consumer notices the differences between the marks, but due to the similarities between the common elements, they believe that both products derive from the same or economically linked undertakings⁵.

⁵ *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10

61. In this instance I found the goods range from identical to similar to between a medium to high degree. I found the most dominant and distinctive element of the earlier marks to be the word TOTTO, but that the stylisation contributes to the overall impression of the marks, particularly in respect of the colour fill of the letter 'O'. I found the earlier marks to be inherently distinctive to an above average degree, but that there is no evidence this has been enhanced through use. I found the overall impression of the applicant's word mark TOTEM to be held in its entirety. I found the marks to be visually similar to between a low and medium degree, aurally similar to a medium degree, and conceptually dissimilar, and that the consumer will consist primarily the general public paying an average degree of attention, and in part the professional public paying an above average degree of attention to the goods.

62. Within its submissions, the opponent states as follows:

“Whilst it is noted that the mark subject of the application has a distinct meaning whereas the Opponent's trade mark is a coined word, the conceptual differences do not outweigh the overall similarities”

63. The question as to whether conceptual differences may outweigh visual and aural similarities has been discussed and answered within the relevant case law. I note from this that conceptual dissimilarities between marks should not, on any occasion, cause me to completely disregard all other relevant factors and come to a finding that there is no likelihood of confusion without full consideration of all aspects of a case, but that it is the case that the conceptual dissimilarity between marks may outweigh the visual and aural similarities found. In *The Picasso Estate v OHIM*, Case C-361/04 P, the CJEU found that:

“20. By stating in paragraph 56 of the judgment under appeal that, where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them, and by

subsequently holding that that applies in the present case, the Court of First Instance did not in any way err in law.”

64. Professor Phillip Johnson, sitting as the Appointed Person, in *Wearwell Inc v. Work Well Mats Limited*, BL O/055/19, stated, at paragraph 29:

“Nevertheless, I will add briefly that when the passage from *Picasso* is read in context it is clear that the Court of Justice is not creating an additional hurdle that conceptual dissimilarity must be “obvious and pronounced” to overcome visual and aural similarity. It is simply reiterating the accepted principle that the overall impression of the mark must be considered and each factor must be weighed. If there is sufficient conceptual difference this can, in some cases, negate any likelihood of confusion which might otherwise arise from the visual or aural similarity.”

65. Mr Iain Purvis QC, sitting as the Appointed Person in *JT International S.A. v Argon Consulting & Management Limited* (“Rochester”), BL O/049/17, having reviewed *The Picasso Estate v OHIM*, observed:

“39. The interesting point here is that the absence of a particular concept is said to ‘counteract’ confusion, by making the marks easier to distinguish. So lack of conceptual similarity is not merely a ‘neutral’ factor. That is the case even where one of the two marks has no particular meaning at all to the average consumer.”

66. Whether a conceptual difference between the marks is sufficient to counteract the visual and aural similarities is liable to depend on the strength of that difference and the degree of visual and aural similarity between the marks. In *Diramode S.A. v. Richard Turnham and Linda Turnham* (“PIMKIE”), BL O/566/19, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, considered an opposition to the mark PIMKIE based upon the earlier mark PINKIES, for identical goods (precious metals and jewellery). Mr Hobbs stated that there was a high degree of visual and aural similarity between the

marks and, following the CJEU's judgement in *C-437/16 P Wolf Oil Corp v EUIPO*, that

“28. ...there is no rule to the effect that visual and aural similarities are automatically neutralised by conceptual differences. It [the CJEU] insisted upon the need for two distinct stages in the analysis of the overall likelihood of confusion, with the first being directed to ‘*a finding of the conceptual differences between the signs at issue*’ and second being directed to ‘*assessment of the degree of conceptual differences*’ with a view to determining whether they ‘*may lead to the neutralisation of visual and phonetic similarities*’.

29. Even though one of the marks in issue refers to a clear and immediately apparent concept and the other does not have a clear meaning which can be immediately perceived by the relevant public, the degree of visual and aural similarity between them may still be sufficient to give rise to the existence of a likelihood of confusion.”

67. Both parties in this case agree that the marks are conceptually dissimilar. I have found in this instance that the applicant's mark will immediately and easily be conceptualised by the consumer, and that the meaning will stick in the consumer's mind, whilst it is my view that the opponent's mark will not immediately bring to mind a meaning to the majority of consumers. I find the marks to be conceptually different, but not to as high a degree as if the opponent's mark also conjured a clear meaning that was entirely different to that of the applicant's mark. I consider that the visual similarities between the marks are between low and medium, and that this will be the primary way in which the goods are purchased. I consider also that the aural similarities are medium, and that aural considerations cannot be completely disregarded. It is my view that despite the above average degree of distinctive character of the earlier mark, and the identity and similarity between the goods, that the conceptual dissimilarities help to counteract the aural and visual similarities between the marks themselves. I find this will be the case to the extent that the conceptual dissimilarities, alongside the not insignificant level of visual

and aural differences between the marks will mean that the consumer will not confuse one mark for the other, and there will be no likelihood of direct confusion in this instance. I find this to be the case even where only average degree of attention is paid to the goods.

68. Further, I find no reason that the consumer, upon noticing the differences between the marks, will have reason to view the goods as deriving from the same economic undertaking. I note that the consumer will generally pay most attention to the beginning of the marks, but it is my view that the coinciding of the first three letters of the two different words (one with a clear conceptual meaning, and one without), particularly three letters which do not form an independent distinctive element of either mark, will not cause the consumer to believe the marks are economically linked. To the extent that this is noticed by the consumer, it is my view this will be put down to coincide rather than any attributed to a connection between the source of the marks themselves. I therefore find that there is no likelihood of indirect confusion between the marks.

Final Remarks

69. The opposition fails in its entirety, and the application will proceed to registration in respect of all of the goods.

COSTS

70. The applicant has made the following submissions in respect of costs in these proceedings:

“As to any such cost order, the Applicant reiterates its request that the Tribunal, in making its determination, consider that the Opponent launched these proceedings in violation of the *Pre-Action Protocols* of the UK’s Civil Procedure Rules, and that the Opponent dropped its section 5(3) ground as soon as it came time to evidence the reputation

implicit in that ground and *after* the Applicant had been put to its rebuttal via counterstatement”.

71. The Pre-Action Protocol detailed within the UK Civil Procedure Rules sets out the steps the court expects parties to take prior to engaging in court action. Proceedings before this Tribunal are not governed by the same procedure rules as those referenced. Instead, the registrar has an inherent power to regulate his own procedures, provided that in doing so he neither creates a substantive jurisdiction where none exists, nor exercises that power in a manner inconsistent with the express provisions conferring jurisdiction on the registrar.⁶ That said, like the courts, the Tribunal encourages parties to serve notice of the filing of an opposition on another party prior to doing so, either by filing a form TM7a, or by providing the party with written notification of its intention, and the Tribunal encourages parties to settle proceedings amicably where possible. However, at present there is no cost penalty as such for not engaging with this conduct, outside of withholding the refund of the official fee should the opposition filed go undefended. As the opposition has been defended in this instance, and as the cost award is to be issued against the opponent, I find the lack of serving of a TM7a not to be a relevant issue when considering costs in this case.

72. That being said, I note the applicant’s request that the time taken to review and respond to the opponent’s pleadings under Section 5(3) be considered, and although I find it a common occurrence that grounds are dropped following a defence being filed, I will nonetheless reasonably account for the applicant’s time within the cost award below, within the normal scale.

73. In this case I found the evidence filed by the applicant to be wholly irrelevant to the proceedings in hand, and so no costs will be allocated in respect of the same.

⁶ See *Pharmedica’s Trade Mark Application* [2000] RPC 536 at 541.

74. In the circumstances I award the applicant the sum of £700 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Considering the opposition filed and preparing and filing a counterstatement	£400
Filing written submissions in lieu	£300

75. I therefore order Essential Export S.A. to pay Totem Bags Limited the sum of £700. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 7th day of October 2020

**Rosie Le Breton
For the Registrar**

Annex A

Tribunal Practice Notice (TPN 4/2009)

Trade mark opposition and invalidation proceedings - defences

Defences including a claim that the applicant for registration/registered proprietor has a registered trade mark that predates the trade mark upon which the attacker relies for grounds under sections 5(1) and 5(2) of the Act.

1. A number of counterstatements in opposition and invalidation actions have sought to introduce as a defence that the applicant for registration/registered proprietor has a registered trade mark (or trade mark application) for the same or a highly similar trade mark to that which is the subject of the proceedings that predates the earlier mark upon which the attacker relies.

2. Sections 5(1) and 5(2) of the Act turn upon whether the attacker has an earlier trade mark compared to the mark under attack, as defined by section 6 of the Act. Whether the applicant for registration/registered proprietor has another registered trade mark (or trade mark application) that predates the earlier mark upon which the attacker relies cannot affect the outcome of the case in relation to these grounds.

3. The position was explained by the Court of First Instance in *PepsiCo, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) T-269/02*:

"24 Nor did the applicant claim, and even less prove, that it had used its earlier German mark to obtain cancellation of the intervener's mark before the competent national authorities, or even that it had commenced proceedings for that purpose.

25 In those circumstances, the Court notes that, quite irrespective of the question whether the applicant had adduced evidence of the existence of its earlier German mark before OHIM, the existence of that mark alone would not in any event have been sufficient reason for rejecting the opposition. The applicant would still have had

to prove that it had been successful in having the intervener's mark cancelled by the competent national authorities.

26 The validity of a national trade mark, in this case the intervener's, may not be called in question in proceedings for registration of a Community trade mark, but only in cancellation proceedings brought in the Member State concerned (Case T 6/01 *Matratzen Concord v OHIM - Hukla Germany (MATRATZEN)* [2002] ECR II 4335, paragraph 55). Moreover, although it is for OHIM to ascertain, on the basis of evidence which it is up to the opponent to produce, the existence of the national mark relied on in support of the opposition, it is not for it to rule on a conflict between that mark and another mark at national level, such a conflict falling within the competence of the national authorities."

The position with regard to defences based on use of the trade mark under attack which precedes the date of use or registration of the attacker's mark

4. The viability of such a defence was considered by Ms Anna Carboni, sitting as the appointed person, in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09. Ms Carboni rejected the defence as being wrong in law.

5. Users of the Intellectual Property Office are therefore reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker's mark, or having used the trade mark before the attacker used or registered its mark are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker's mark.

Reliance on the Absence of Confusion in the Marketplace

6. Parties are also reminded that claims as to a lack of confusion in the market place will seldom have an effect on the outcome of a case under section 5(2) of the Act.

7. In *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 Laddie J held:

"22. It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market place but no confusion has been caused, then there cannot exist a likelihood of confusion under Article 9.1(b) or the equivalent provision in the Trade Marks Act 1994 ("the 1994 Act"), that is to say s. 10(2). So, no confusion in the market place means no infringement of the registered trade mark. This is, however, no more than a rule of thumb. It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place."

8. (In *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch) Warren J commented:

"99. There is a dispute between Mr Arnold and Mr Vanhegan whether the question of a likelihood of confusion is an abstract question rather than whether anyone has been confused in practice. Mr Vanhegan relies on what was said by Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 at paragraphs 22 to 26, especially paragraph 23. Mr Arnold says that that cannot any longer be regarded as a correct statement of the law in the light of *O2 Holdings Ltd v Hutchison 3G Ltd* [2007] RPC 16. For my part, I do not see any reason to doubt what Laddie J says...")

9. In *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 Millett LJ stated:

"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."