

O/256/12

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2571611
BY ALLIED GLOBAL TOBACCO LIMITED TO REGISTER THE TRADE MARK**

ZIP

IN CLASS 34

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 102171
BY ZIPPO MANUFACTURING COMPANY**

BACKGROUND

1) On 09 February 2011, Allied Global Tobacco Limited (“Allied”) applied under the Trade Marks Act 1994 (“the Act”) for registration of the mark ZIP. Following a voluntary amendment, the application was limited to the following list of goods in Class 34:

Tobacco, tobacco products, cigars, cigarillos, cigarettes, smoking tobacco

2) On 15 April 2011, the application was published in the Trade Marks Journal and on 13 July 2011, Zippo Manufacturing Company (“Zippo”) filed notice of opposition to the application.

3) The single ground of opposition is that the application is open to objection under Section 5(2)(b) of the Act because the mark applied for is similar to four earlier marks belonging to Zippo and in respect of similar goods. The relevant details of the four earlier marks are as follows:

Mark details and relevant dates	Relevant goods
CTM*133819 ZIPPO Filing date: 1 April 1996 Registration date: 4 October 2001	<i>Class 34: Smokers' articles; smokers' sets, pipes, cigar and cigarette holders, lighters, pyrophoric lighters, piezoelectric lighters, cigar or cigarette boxes, cigar or cigarette cases, gas containers for lighters, flints for lighters, ashtrays, smokers' articles containing one or more of a knife, a pipe tobacco tapper, a nail file, a pipe reamer and cigar cutter, cigarette or cigar boxes or cases of common metal.</i>
751971 ZIPPO Filing date: 15 March 1956	<i>Class 34: Pyrophoric lighters and parts thereof included in Class 34.</i>
CTM*2507002 ZIPPO Filing date: 18 December 2001 Registration date: 27 February 2003	Class 34: Cigarette papers; smokers' articles; smokers' sets, lighters, ashtrays.

<p>575041</p> <p>ZIPPO</p> <p>Filing date: 9 February 1937</p>	<p>Class 34: <i>Pyrophoric lighters; all included in class 34.</i></p>
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*Community trade mark

4) These marks are all earlier marks, as defined by Section 6 of the Act, because they are all registered and all have a date of application that is earlier than the application in question.

5) Zippo submits that Allied's mark is wholly contained within its marks and they are visually, aurally and conceptually similar. It further submits that the respective goods are similar to the goods covered by its earlier marks.

6) Allied subsequently filed a counterstatement denying the Zippo's claims.

7) Only Zippo filed evidence in these proceedings, but both sides filed written submissions. Both sides ask for an award of costs. The matter came to be heard on 30 May 2012 when Zippo was represented by Mr Florian Traub for Squire Sanders (UK) LLP and Allied was represented by Ms Denise McFarland of Counsel, instructed by Penningtons Solicitors LLP.

Opponent's Evidence

8) This consists of a witness statement by Jon Sweeney, General Manager of Zippo UK Limited, the exclusive UK distributor of products sold under the mark ZIPPO. He explains that his company is an associated company of Zippo and that his company and its predecessor have been selling ZIPPO goods in the UK for more than sixty years.

9) At Exhibit JS1, Mr Sweeney provides copies of the ZIPPO complete line collections from the years 2007 to 2011 inclusive. All of these illustrate a large range of lighters, on many of which the word ZIPPO appears in a stylised form.

10) The front cover of the 2010 Complete Line Collection illustrates a lighter with the word ZIPPO appearing along the top of its cap and with a device of a flame alongside. The word ZIPPO in an unstylised form also appears on other lighters, such as the "1935 replica" shown on page 20 and the "Black Ice" lighter on page 21. In addition, the product descriptions in these catalogues regularly refer to ZIPPO.

11) The website address "zippo.com" appears at the top of many of the pages. Many of the lighters shown carry numerous third party marks as decoration such as pop group names, NFL teams etc., but the ZIPPO mark is not visible on these.

12) Other goods shown in these catalogues include ashtrays, lighter flints and flint dispensers, lighter pouches and clips, various smokers' penknives and various small gift sets that include lighters.

13) Mr Sweeney estimates that about 95% of his company's sales in the UK relate to lighters, all of which are sold under the mark ZIPPO. He explains that its catalogue is updated annually and about ten thousand copies are provided to customers throughout the UK. In addition, he states that his company also distributes approximately six thousand "Zippo Harley Davidson" catalogues and six thousand "Zippo Choice" catalogues each year.

14) At Exhibit JS2, Mr Sweeney provides twenty invoices dated between 29 October 2007 and 15 August 2011, five of which are after 15 April 2011, being the publication date of the contested application and the relevant date before which genuine use must be shown. Of the remaining fifteen, all list goods whose description begins with the word ZIPPO. Further, nearly exclusively these descriptions include the letters "LTR". In the circumstances, it is reasonable to understand this as being a reference to "lighter".

15) Mr Sweeney explains that, for the purposes of brevity, more extensive ranges of invoices have not been submitted because they are too numerous.

16) Mr Sweeney states that one method of promotion of Zippo's products in the UK is through the website www.zippo.co.uk. At Exhibit JS4, Mr Sweeney provides copies of the front page of the website for the years 2007 – 2011 inclusive. All refer to ZIPPO lighters as well as a range of other goods such as watches and cufflinks.

17) Zippo's goods are also promoted through customer newsletters and other literature. Mr Sweeney provides examples of this at Exhibit JS5. This consists variously of "Trade Newsletters", "Wholesale Newsletters", "Retailer Newsletters" and "Zippo UK Collectors Newsletters" all featuring items about ZIPPO lighters as well as lighter fuel, flints, wicks, leather goods and displays.

18) Mr Sweeney states that Zippo used a PR company named Maverick Publicity between 2007 and 2009 to promote Zippo products. At Exhibit JL6, monthly reports from this company are provided, covering the period July 2007 and December 2007. These list a number of UK national magazines and newspapers in which adverts and news articles appeared or were scheduled to appear about ZIPPO branded products. Since 2009, Mr Sweeney explains global PR was handled by a different company, but that advertisements continued to appear in a variety of publications.

DECISION

Status of Zippo's witness

19) At the hearing, Ms McFarland questioned the status of Zippo's witness, Mr Sweeney as it was submitted he has no direct links with Zippo. However, Mr Sweeney makes it clear in his witness statement that he is General Manager of a company that is the exclusive licensee of ZIPPO products in the UK. Consequently, I see no issue in respect of Mr Sweeney's standing as a witness.

Proof of use

20) In its written submissions, Allied accepted that Zippo's evidence demonstrated use of the goods it relies upon in this opposition. Consequently, it is not necessary for me to consider this issue and Zippo is entitled to rely upon all the goods listed in its Class 34 specifications of its earlier marks.

Section 5(2)(b)

21) Section 5(2)(b) reads:

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

(a) ...

(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.”

22) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union (CJEU) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P (LIMONCELLO)*. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel BV v Puma AG*,

(g) in determining whether similarity between the goods or services covered by two marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(i) further, 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; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of

the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(I) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM (LIMONCELLO)*

Comparison of goods

23) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods and services should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23:

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

24) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).

25) For ease of reference, the respective goods are:

Zippo’s goods	Allied’s goods
<p><i>Smokers’ articles; smokers’ sets, pipes, cigar and cigarette holders, lighters, pyrophoric lighters, piezoelectric lighters, cigar or cigarette boxes, cigar or cigarette cases, gas containers for lighters, flints for lighters, ashtrays, smokers’ articles containing one or more of a knife, a pipe tobacco tapper, a nail file, a pipe reamer and cigar cutter, cigarette or cigar boxes or cases of common metal.</i></p> <p><i>Pyrophoric lighters and parts thereof included in Class 34.</i></p>	<p><i>Tobacco, tobacco products, cigars, cigarillos, cigarettes, smoking tobacco</i></p>

<i>Cigarette papers; smokers' articles; smokers' sets, lighters, ashtrays.</i>	
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<i>Pyrophoric lighters; all included in class 34.</i>	
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26) My first comment is that it is evident that none of the respective goods are identical. It is pointed out, on behalf of Allied, that its goods are tobacco products whereas Zippo's goods are non-tobacco products. I concur with this argument as the respective goods' nature, intended purpose and methods of use are clearly all different, with tobacco products all being smoked in some way. None of Zippo's goods are used in such a way.

27) It is argued on behalf of Zippo that because its non-tobacco products are used by smokers, then there is a good deal of similarity between them. This is not necessarily so, but I bear this comment in mind as being one of the relevant factors when considering the similarity of the respective goods.

28) It is submitted, on behalf of Zippo, that the respective goods are similar because, not only are they used together, but they are frequently sold through the same trade channels. I agree that the respective goods will all be used by the same users, namely smokers. Zippo's goods are not in competition with Allied's goods but they are complementary in the sense that Allied's goods are important and even indispensable to the existence of Zippo's goods (see the guidance of the General Court ("the GC") in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T- 325/06)

29) Finally, the parties take alternative views regarding the respective trade channels for the goods, with Zippo submitting that they are the same, but with Allied submitting that its goods would normally be sold over the counter in supermarkets, newsagents or sometimes via vending machines in public houses. By contrast, it submits that Zippo's goods are sold in specialist shops, over the Internet and, as evidenced by Zippo, where invoices indicate sales to gift shops, gadget shops, shops selling jewellery and shoe repair/engraving shops. I am not convinced by this argument. Tobacconists, and tobacconist kiosks within larger stores, are also likely to be a common outlet for the type of goods covered by Zippo's specifications as well as the tobacco products covered by Allied's specification.

30) Allied make a further submission that Zippo's goods are expensive, high-end, collectable goods that will be sold through different channels, even to identical but more affordable goods. I am not persuaded by this for two reasons. Firstly, Zippo's lists of goods are not limited to including high end products. Secondly, even if it is established that Zippo's goods are high-end, collectable goods, it is not obvious to me that this would result in them not being provided from outlets that also sell tobacco products. The evidence submitted by Mr Sweeney, on

behalf of Zippo, states that there were too many invoices to submit them all. Therefore, the fact that the ones provided related to the type of retail outlets identified by Allied does not preclude the fact that they may also supply other types of outlets. In summary, I find that it is likely that it will be common for the respective goods to be sold in the same type of retail outlet.

31) Taking all of the above into account, I find that the respective goods share a moderate degree of similarity.

The average consumer and the nature of the purchasing act

32) As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who the average consumer is for the goods at issue. It is clear to me that all of Zippo's goods are those that will be used by smokers. It is self evident that the average consumer of Allied's goods is also smokers. Consequently, the average consumer for the parties' respective goods is the same.

33) This average consumer is likely to be the smoking proportion of the general public and whilst, through government taxation in particular, the cost of tobacco products has significantly increased in recent years, they are still not expensive items. Consequently, although the level of attention paid during the purchasing process will be higher than for low priced consumables, it will still not be of the highest order. The same will be the case with many of Zippo's *smoker's articles* etc, and especially goods such as *cigarette papers*. However, some of these goods, such as *lighters* and *cigar boxes*, for example, will not be purchased on such a regular basis. Such occasional purchases may result in a slightly enhanced level of consideration compared to when the consumer purchases *tobacco products*. Though, once again, the level of attention will not be of the highest order because, generally, such goods are not of the highest value.

Comparison of marks

34) For ease of reference, the respective marks are:

Zippo's mark	Allied's mark
ZIPPO	ZIP

35) When assessing the extent of similarity between the respective marks, I must do so with reference to their visual, aural and conceptual similarities bearing in mind their distinctive and dominant components (*Sabel BV v. Puma AG*, para 23). As both marks consist of single words, it follows that the distinctive and dominant element are these single words.

36) From a visual perspective, they both share the same three letters ZIP, being the totality of Allied's mark and the first three of the five letters present in Zippo's

mark. They differ in that Zippo's mark has the additional letters PO that appear at the end of its mark. Taking account of this similarity and difference, I conclude that there is a reasonably high degree of visual similarity.

37) From an aural perspective, Allied's mark and the first syllable of Zippo's mark will both be pronounced identically as ZIP. The second syllable of Zippo's mark is pronounced PO, and is an obvious difference. Taking this into account, I conclude that the marks also share a reasonably high level of aural similarity.

38) It is also necessary for me to consider the level of conceptual similarity. The Oxford Dictionary¹ lists the following for the word ZIP:

noun

1 (also zip fastener) chiefly *British* a device consisting of two flexible strips of metal or plastic with interlocking projections closed or opened by pulling a slide along them, used to fasten garments, bags, and other items.
[as modifier] denoting something fastened by a zip: *a zip pocket*

2 ...

pronoun

(also zippo) *North American informal* nothing at all: *you got zip to do with me and my kind, buddy*

39) Allied's mark is likely to be understood by the UK consumer as describing a "zip fastener". Whilst ZIPPO also has a meaning in North America meaning "nothing", there is no evidence before me that the average UK consumer will be aware of this meaning. Taking account of the guidance of Anna Carboni, sitting as the Appointed Person, in BL O-048-08 *CHORKEE*, I conclude that, in the absence of evidence to the contrary, that the UK consumer will perceive the word ZIPPO as being invented and with no meaning. Consequently, I conclude that the respective marks are neither similar nor dissimilar.

40) I have found that the respective marks share a reasonably high level of visual and aural similarity, but that they are neither conceptually similar nor dissimilar. Taking all of this into account, I conclude that the respective marks share a moderate level of similarity overall.

¹ "zip". Oxford Dictionaries. April 2010. Oxford Dictionaries. April 2010. Oxford University Press. 28 May 2012 <<http://oxforddictionaries.com/definition/zip>>.

Distinctive character of the earlier trade mark

41) I must consider the distinctive character of the earlier mark because the more distinctive it is, either by inherent nature or by use the greater the likelihood of confusion (*Sabel BV v Puma AG* [1998] RPC 199). The distinctive character of the earlier trade mark must be assessed by reference to the goods for which it is registered and by reference to the way it is perceived by the relevant public (*Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91).

42) Zippo's mark consists of, what is likely to be perceived as, an invented word and is endowed with a high level of distinctive character. I must also consider the effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act. It is clear from the evidence, and it appears to be common ground between the parties, that Zippo's mark has a long standing reputation in the UK in respect of lighters. However, I do not consider this to be of any great significance in light of the already high level of distinctive character that is inherently possessed by Zippo's mark.

Likelihood of confusion

43) In Zippo's written submissions, it claims that there is a risk to it if the application proceeds to registration and is used. Allegedly, this is because the Tobacco Advertising and Promotion (Brandsharing) Regulations 2004 which relates to the Tobacco Advertising and Promotion Act 2002 provide that the use, by a person in connection with any non-tobacco product, of any feature that is the same as, or so similar as to be likely to be mistaken for, any feature that is connected with a tobacco product is prohibited if the purpose or effect of that use is to promote a tobacco product in the UK. Whilst I note this, it does not fall within my considerations under Section 5(2)(b) of the Act and this was conceded at the hearing. Therefore, I will not comment further on this point.

44) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27).

45) It was submitted on behalf of Allied that brand loyalty is a factor that points towards no likelihood of confusion. I was referred to Registry decision BL O-175-07, where the hearing officer noted that smokers exhibit a high degree of brand loyalty and that this results in a purchasing act that "is careful and very much based in the name of the product". I note this argument, but more recently Iain Purvis QC, sitting as the Appointed Person in BL O-382-10 *BONJORNO CAFÉ (AND DEVICE)* has commented on this issue, as follows:

"12. I should however make it clear that I do not accept the argument that "brand loyalty" is a factor which may be taken into account as reducing

likelihood of confusion. Two decisions of the UK Trade Mark Registry in opposition proceedings were cited by Mr Gardner in support of his submissions on this point: *Boheme 1795* (O-257-10 – decision of Mr Oliver Morris) and *Soprano Cigarettes* (O-178-09 – decision of Mr Mark Bryant).

13. In *Boheme 1795* the following comment was made:

"The goods here are not the most expensive of products, nor are they infrequent purchases. However, they are still likely to be purchased with at least a reasonable degree of care and attention given that taste, and to some extent brand loyalty, is likely to play a part in the selection process. There is, therefore, no significant increase or decrease from the norm in respect of the degree of care and attention likely to be deployed by the average consumer when purchasing the goods".

14. In *Soprano cigarettes* the hearing officer went a little further, saying:

"It is my experience that tobacco products tend to inspire a certain degree of brand loyalty and, as a result, the purchase of such goods involves more than the average level of attention that is associated with normal consumer products".

15. I do not accept that a generalized concept of "brand loyalty" is of any real assistance in assessing likelihood of confusion. First of all it is very hard, in my view, to identify particular categories of product or service as inspiring more brand loyalty than others. Secondly, even if were established that there was a high degree of brand loyalty in a particular field, I do not see how this would advance matters. We are concerned with the likelihood of confusion, not the degree of disappointment which would be caused by an incident of confusion. Questions of likelihood of confusion are always to be approached from the point of view of the "reasonably observant and circumspect" consumer. I do not understand how brand loyalty can be said to affect the consumer's observation skills or his circumspection. Thirdly, it is rather odd to assume that the concept of "brand loyalty" associated with a general class of products or service tends to reduce the likelihood of confusion, when we are also told by the European Court [*Sabel v Puma* [1998] RPC 199 at 22-24] to assume that a high reputation associated with a specific brand of products or services tends to increase the likelihood of confusion."

46) Taking this guidance into account, I dismiss Allied's submissions on the point.

47) At the hearing, Ms McFarland pointed out that mere association is not sufficient, in the sense that one mark brings the other to mind, but rather there must be confusion in that one mark is mistaken for the other, or that the consumer believes they originate from the same or linked undertaking. To support this point, Ms McFarland submitted that the current case is analogous with comparisons between the words HIP and HIPPO. Whilst I accept the general point, I do not believe this example is on “all-fours” with the current case, with both HIP and HIPPO having well known meanings creating a clear separation in the meaning of the words and such a separation is absent in the current case.

48) Ms McFarland also used a further analogy, that the consumer would not confuse the origin of pans with the origin of food products (that may be prepared in pans), to support her submission that the similarity between lighters and tobacco products was insufficient for me to reach a finding of a likelihood of confusion. Once again, I do not consider this example to be on “all-fours” with the current case as, unlike lighters and tobacco products, pans and food are not normally sold in the same shops.

49) Whilst identifying criticisms of the analogies used by Ms McFarland, I believe that her general propositions have some force. I have found that the marks at issue share a moderate level of similarity, that the level of attention paid by the consumer may be higher than for some consumables, it is not of the highest level and that the respective goods share a moderate degree of similarity. I have also found that, conceptually, the marks are neither similar nor dissimilar. Despite the word ZIP being contained within Zippo's mark, it is part of a word that, I have found, will have no meaning in the mind of the UK consumer. Taking account of all these factors, I concur with Ms McFarland, that whilst ZIP may bring ZIPPO to mind, the consumer is not likely to confuse the marks or consider that they originate from the same or linked undertaking.

50) Consequently, I find that there is no likelihood of confusion and the opposition fails.

COSTS

51) The opposition having failed, Allied is entitled to a contribution towards its costs. I take account that a hearing has taken place and that only Zippo filed evidence. I award costs on the following basis:

Considering Notice of Opposition and statement and preparing own statement:	£300
Considering other side's evidence:	£500
Preparing for, and attending hearing	£750
TOTAL	£1550

52) I order Zippo Manufacturing Company to pay Allied Global Tobacco Limited the sum of £1550. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 29th day of June 2012

**Mark Bryant
For the Registrar,
the Comptroller-General**