

O-0454-23

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3702076
BY SHENZHEN MUJE TECHNOLOGY CO., LTD IN RESPECT OF THE TRADE
MARK**

LUCKY BAR

IN CLASS 34

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 430262 BY
BRITISH AMERICAN TOBACCO (BRANDS) INC.**

BACKGROUND AND PLEADINGS

1. SHENZHEN MUJE TECHNOLOGY CO., LTD (“the applicant”) applied to register the following trade mark in the UK:

LUCKY BAR

Filing date: 28 September 2021

Publication date: 15 October 2021

Class 34: *Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Ashtrays for smokers; Tobacco; Cigars; Snuff; Cigarettes; Cigarette cases; Tobacco pipes; Tobacco jars; Oral vaporizers for smokers; Matches; Gas containers for cigar lighters; Lighters for smokers; Cigarette paper; Pipe racks for tobacco pipes; Cigarette tips; Herbs for smoking; Cigarette filters.*

2. British American Tobacco (Brands) Inc. (“the opponent”) opposes the application in full on the basis of section 5(2)(b), section 5(3) and section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The section 5(2)(b) and section 5(3) grounds are based upon three earlier marks, the relevant details of which are shown below:

2470129 LUCKY STRIKE

Filing date: 20 October 2007

Registration Date: 4 July 2008

Class 9: *Cigarettes, tobacco, tobacco products, smokers' articles, lighters, matches.*

3459392



Filing date: 20 January 2020

Registration Date: 7 August 2020

Class 34: *Cigarettes; tobacco, raw or manufactured; roll your own tobacco; pipe tobacco; tobacco products; tobacco substitutes (not for medical purposes); cigars; cigarillos; cigarette lighters; cigar lighters; matches; smokers' articles; cigarette paper; cigarette tubes; cigarette filters; pocket apparatus for rolling cigarettes; hand held machines for injecting tobacco into paper tubes; electronic cigarettes; liquids for electronic cigarettes; tobacco products for the purpose of being heated*

900006338 LUCKY STRIKE¹

Filing date: 1 April 1996

Registration Date: 17 April 2000

Class 34: *Cigarettes, tobacco, tobacco products, smoker's requisites, lighters and matches.*

3. In respect of the ground based upon section 5(2)(b), the opponent asserts that in view of the similarity between the respective marks and the identity or similarity of the goods, there is a likelihood of confusion on the part of the relevant public.

¹ On 1 January 2021, the UK left the EU. Under Article 54 of the Withdrawal Agreement between the UK and the EU, the UK IPO created comparable UK trade marks for all right holders with an existing EUTM. As a result, the opponent's earlier mark was automatically converted into a comparable UK trade mark. Comparable UK marks are now recorded on the UK trade mark register, have the same legal status as if they had been applied for and registered under UK law, and the original filing dates remain the same.

4. In respect of the section 5(3) ground, the opponent claims that the similarity between the earlier marks and the contested mark is such that the relevant public will believe they are used by the same, or linked undertaking. It also claims that:

- Use of the applicant's mark would take unfair advantage of the reputation of the opponent's marks, its use benefitting from the power of attraction of the opponent's marks without paying compensation;
- Use of the contested mark will result in detriment to reputation of the opponent's marks because the opponent's reputation is in respect of high standards and quality. Use of the contested mark may harm the reputation of the opponent's marks particularly if the goods provided under the applicant's mark are of an inferior quality. This may cause harm in that the relevant public may no longer perceive the opponent's goods as being of a particular reliable quality. It also asserts that the applicant's brand values may not align to those of the opponent;
- In view of the similarity between the marks there is a serious likelihood that use of the applicant's mark will result in the relevant public making an immediate association with the opponent's mark as a guarantee of value. This will have the effect of diluting the distinctive character of the opponent's mark resulting in detriment to its distinctive character.

5. In respect of the section 5(4)(a) ground the opponent claims a goodwill since 1994 (in respect of the word sign LUCKY STRIKE) and 2015 (in respect of the logo sign that corresponds to that of earlier mark 3459392) throughout the UK in respect of *cigarettes, tobacco, tobacco products, smoker's requisites, lighters and matches*. It claims a significant goodwill identified by the sign and asserts that use of the applicant's mark will amount to misrepresentation. The opponent contends that it has been extensively using the signs throughout the UK and acquired goodwill in the goods identified above. On the basis of the similarity between these signs and the applicant's mark, use of the mark will result in misrepresentation likely to damage the opponent's goodwill.

6. The applicant filed a counterstatement putting the opponent to proof of use in respect of its marks: 2470129 and 900006338. It "admits to a level of similarity or

identity to all goods” but asserts that the opponent will not be able to demonstrate use in respect of any goods other than *pre-rolled cigarettes containing tobacco* and claims that such goods have only a low degree of similarity “at best”. It also provides detailed submissions regarding the similarity of the respective marks, likelihood of confusion, the section 5(3) and section 5(4)(a) grounds. I will not detail them here, but I keep these submissions in mind.

7. Only the opponent filed evidence, and this will be referred to as and where appropriate during this decision.

8. A Hearing took place on 15 February 2023, with the opponent represented by Mr Daniel Joy of Baker & McKenzie. The applicant chose to not to be represented at the hearing.

9. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

Evidence

10. The opponent’s evidence takes the form of the witness statements of Ms Esefori Akpogheneta together with Exhibits EA1 – EA24. Ms Akpogheneta is Trade mark Counsel of BATMark Limited, a member of the British American Tobacco plc Group of companies (“the BAT Group”). The opponent is a wholly owned member of the BAT Group. Ms Akpogheneta states that she has a considerable understanding of the developments of the opponent’s trade marks throughout the world.

11. Ms Akpogheneta provides a history of the BAT Group and of the LUCKY STRIKE brand and information regarding the scale of use of the brand in the UK and in the EU.

DECISION

Proof of use

12. The relevant statutory provision is section 6A of the Act:

“(1) This section applies where

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)-(5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

13. At the hearing, Mr Joy informed me that the opponent was no longer relying on the earlier 2470129 LUCKY STRIKE. Consequently, of the two remaining earlier marks, only 900006338 LUCKY STRIKE is subject to proof of use. It is a comparable mark and, therefore, paragraph 7 of Part 1, Schedule 2A of the Act is also relevant. It reads:

“7.— (1) Section 6A applies where an earlier trade mark is a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the relevant period referred to in section 6A(3)(a) (the “five-year period”) has expired before IP completion day—

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in section 6A(3) and (4) to the United Kingdom include the European Union.

(3) Where [IP completion day] falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day —

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM ; and

(b) the references in section 6A to the United Kingdom include the European Union”.

14. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J (as he then was) summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to

create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

15. Also relevant, is Tribunal Practice Notice 2/2020 that sets out the Registry's practice in assessing use (and reputation) of comparable marks. The salient text relevant to the current proceedings is:

“4. Where, to the extent set out above, comparable marks are relied on in opposition [...] proceedings, there will be circumstances when the use provisions apply, or where a reputation is claimed under section 5(3) of the Act. [...] In such circumstances, it may still be possible to rely on evidence of use in the EU, as set out below:

- where all or part of the relevant five-year period for genuine use under sections 6A, [...] falls before IP Completion Day, evidence of use of the corresponding EUTM in the EU in that part of the relevant period before IP Completion Day will be taken into account in determining whether there has been genuine use of the comparable trade mark. For that part of the relevant period, for the purposes of the genuine use assessment, the UK will be taken to include the EU.
- where it is asserted that a comparable mark has a reputation under section 5(3), and that reputation falls to be considered at any time before IP Completion Day, use of the corresponding EUTM in the EU will be taken into account in determining whether the comparable mark had a reputation at the relevant date.”

16. The relevant period is the five years ending with the filing date of the contested mark, namely, 29 September 2016 to 28 September 2021. The opponent must demonstrate genuine use of its mark during this period. Applying the above-mentioned guidance, use between 29 September 2016 to 31 December 2020 (IP Completion Day) can be use in the EU (including the UK) and use between 1 January 2021 to 28 September 2021 can be use only in the UK.

17. The applicant has accepted use in respect of *pre-rolled cigarettes containing tobacco* but the opponent submits that the use shown in its evidence entitles it to rely

upon *cigarettes, tobacco, tobacco products*. The evidence illustrates significant use of the LUCKY STRIKE mark across the majority of EU states and the UK and, in light of the applicant's concession, I do not need to detail this evidence further here. However, in respect of the goods in respect of which the mark has been used, I note that:

- LUCKY STRIKE was officially launched as a cigarette in 1916;²
- Information relating to the extensive use of the LUCKY STRIKE mark are expressed as the number of "sticks" sold;³
- An extract from the BAT Group's publication "Celebrating our first 100 years" (2002) refers to LUCKY STRIKE being its "best selling international cigarette";
- Ms Akpogheneta states that the brand LUCKY STRIKE has become entrenched as part of popular culture through placement of the brand in music, art, film and television.⁴ The supporting examples, where they specify the goods, always refer to "cigarettes";⁵
- Boxes of cigarettes bearing the mark LUCKY STRIKE are shown as being provided online into the UK;⁶

18. There is nothing in the evidence that contradicts an interpretation that this evidence illustrates that the mark is only used in respect of cigarettes. Therefore, taking all the evidence together, I conclude that the use has been shown only in respect of *cigarettes*.

19. It is necessary that I consider what would constitute a fair specification to reflect this use, keeping in mind the above-mentioned opposing positions of the parties.

20. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

² Ms Akpogheneta's witness statement ("WS") at [9]

³ WS, for example at [21], [23] and [26]

⁴ WS, [28]

⁵ See, for example, Exhibits EA1, EA17, EA18 and WS [29(f)], [29(g)], [29(i)], [29(k)], [29(m)] and [30]

⁶ WS [35] and Exhibit EA20

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

21. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows (at [47]):

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of

the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them;

Mundipharma AG v OHIM (Case T-256/04) ECR II-449; EU:T:2007:46.”

22. In *Merck KGaA v Merck Sharp & Dohme Corp & Ors* [2017] EWCA Civ 1834 (Court of Appeal), a case which concerned pharmaceutical substances and preparations, Kitchen LJ held that it was well established that (1) a category of goods/services may contain numerous subcategories capable of being viewed independently and, (2) the purpose and intended use of a pharmaceutical product are of particular importance in identifying the subcategory to which it belongs.

23. Keeping this guidance in mind, I must identify the appropriate category of goods within which the use falls. I consider that *cigarettes* is a term that both reflects the actual goods sold and also the sub-category of goods that would be viewed as independently describing the category in which the opponent's goods belong. I do not consider that the broader category of *tobacco products* would be naturally used to describe the category in which cigarettes belong. In respect of the term *tobacco*, this is likely to be perceived as describing the processed form of the tobacco leaf rather than products made from it and would therefore describe products such as lose-leaf tobacco rather than describing cigarettes or a category in which cigarettes belong. Therefore, I reject the opponent's claim that a fair specification should include this term.

24. Finally, I disagree with the applicant's suggestion that use should be reflected by the term *pre-rolled cigarettes containing tobacco*. This is not a natural category description that the consumer would use for the category of goods in which the opponent's goods belong. Rather, it is a very specific description that is expressed in terms that are too narrow when considered in the context of the authorities referred to above.

25. Taking all of this into account, I find that proof of use has been demonstrated in respect of goods that are fairly described as being in the category *cigarettes*.

Section 5(2)(b)

26. 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”.

27. The following principles are obtained from the decisions of the Court of Justice of the European Union (“the 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:

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

(i) mere association, in the strict sense that the later mark brings 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

28. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

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

29. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case,⁷ for assessing similarity were:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

⁷ [1996] R.P.C. 281

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

30. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, the General Court (“the GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

31. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the GC stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

32. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services

are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.

33. The respective goods to be compared are:

Opponent's goods	Applicant's goods
<p>3459392</p> <p>Class 34: Cigarettes; tobacco, raw or manufactured; roll your own tobacco; pipe tobacco; tobacco products; tobacco substitutes (not for medical purposes); cigars; cigarillos; cigarette lighters; cigar lighters; matches; smokers' articles; cigarette paper; cigarette tubes; cigarette filters; pocket apparatus for rolling cigarettes; hand held machines for injecting tobacco into paper tubes; electronic cigarettes; liquids for electronic cigarettes; tobacco</p>	<p>Class 34: <i>Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Ashtrays for smokers; Tobacco; Cigars; Snuff; Cigarettes; Cigarette cases; Tobacco pipes; Tobacco jars; Oral vaporizers for smokers; Matches; Gas containers for cigar lighters; Lighters for smokers; Cigarette paper; Pipe racks for tobacco pipes; Cigarette tips; Herbs for smoking; Cigarette filters.</i></p>

<i>products for the purpose of being heated</i>	
900006338	
Class 34: Cigarettes	

Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers;

34. Earlier mark 3459392 contains *electronic cigarettes; liquids for electronic cigarettes* that are self-evidently identical to the first two of these terms. I also consider that the applicant's *flavourings, other than essential oils, for use in electronic cigarettes* will at least overlap with the opponent's *liquids for electronic cigarettes* but could also be considered to be merely a different description for the same goods. Either way, I find the respective goods are identical. In respect of *oral vaporizers for smokers*, I consider that such goods will be covered by the description *electronic cigarettes* or that it is merely a different description for the same goods. Once again, I find they are identical.

35. The specification for earlier mark 900006338 is limited to the single term *cigarettes*. I consider this term will be understood as describing a traditional cigarette being a paper tube filled with tobacco or a herb and that it will not be understood as a reference to an e-cigarette. Consequently, the *cigarettes* are not identical to the applicant's *electronic cigarettes* or *Oral vaporizers for smokers*. However, they share purpose and a similar method of use being to inhale nicotine products for gratification. I have no information regarding channels of trade and it is not obvious to me this is shared. There may be overlap in users because users of cigarettes may also be users of electronic cigarettes or may have graduated from one to the other for health or other reasons. Consequently, there is likely to be competition between the products because the consumer may choose between smoking cigarettes and using an electronic cigarette. I conclude that the respective goods share a medium or slightly higher level of similarity.

Ashtrays for smokers; Cigarette cases; Tobacco pipes; Tobacco jars; Gas containers for cigar lighters; Lighters for smokers; Matches; Pipe racks for tobacco pipes; Cigarette paper;

36. In respect of the opponent's earlier 3459392 mark, it contains the broad term *smokers' articles* that is likely to be understood as including all of these goods and are, therefore, identical. In addition, the following are self-evidently identical:

- The opponent's *cigarette lighters; cigar lighters* and the applicant's *lighters for smokers;*
- The respective parties' term *matches;*
- The respective parties' term *cigarette paper;*

37. Further, there is a complementary relationship between the applicant's *Gas containers for cigar lighters* and the opponent's *cigar lighters* resulting in a medium level of similarity.

38. The opponent's *cigarettes* present in the opponent's 900006338 specification are indispensable for the use of *cigarette cases* and *lighters for smokers*, however, as per the wine glass scenario discussed by Mr Alexander (see paragraph 31 above), it does not follow that they are similar goods for trade mark purposes. They are different in terms of nature, purpose, method of use and they are not in competition. There may be some overlap in trade channels with retailers selling both types of goods, but the complementary relationship is not such as that the consumer will expect these goods to originate from the same or linked trader. I conclude that any similarity is no more than low.

39. In respect of the applicant's *cigarette paper* and *matches*, these are smokers' articles but differ in nature, purpose and methods of use to *cigarettes*. They are not in competition with cigarettes and not obviously complementary. They may share trade channels in so far as appearing in the same retail outlets, but this alone will result in only a very low level of similarity.

40. Finally, in respect of the applicant's *ashtrays for smokers, tobacco pipes, tobacco jars, gas containers for cigar lighters, and pipe racks for tobacco pipes*, these are all smokers' articles but with little relationship to cigarettes. If there is any similarity, it is only very low.

Tobacco; Snuff;

41. The term *tobacco* is identical to the same term that appears in the specification of earlier mark 3459392. In respect of the term *snuff* this is a product covered by the opponent's broad term *tobacco products* and is, therefore, also identical.

42. In respect of the similarity to the opponent's *cigarettes* in its earlier mark 900006338, the respective goods can all be described as "tobacco products" and may share trade channels. They may also be in competition in that the user may make a choice between different ways to use tobacco. They may differ in their method of use, but the level of similarity will be medium.

Herbs for smoking;

43. In respect of the opponent's earlier 3459392 mark, the goods covered by the applicant's *herbs for smoking* overlap with goods covered by the opponent's term *tobacco substitutes (not for medical purposes)*. As far as there is an overlap, the respective goods are identical.

44. In respect of the similarity to the opponent's *cigarettes* in its earlier mark 900006338, whilst there may be similar methods of use (both being smoked) and may be in competition (the consumer may choose between smoking herbs or tobacco), they differ in other respects, and I would characterise the similarity as being reasonably low.

Cigars; Cigarettes;

45. The opponent's earlier 3459392 mark contains the same terms, and these goods are, therefore, self-evidently identical.

46. The opponent's earlier mark 900006338 consists of the term *cigarettes* and therefore identical to that term in the application. In respect of the applicant's *cigars*, they share with cigarettes, the same method of use and trade channels. They may also be in competition where the consumer may be making a choice between smoking a cigarette or a cigar. I conclude that they share a medium level of similarity.

Cigarette tips; Cigarette filters.

47. The term *cigarette filters* appears in the specification of the opponent's earlier 3459392 mark and the goods are, therefore, identical. Cigarette tips do not appear in the opponent's specification, but being a part of a cigarette, there will be overlap of trade channels despite being different in terms of purpose, method of use and not being in competition. There will be a complementary relationship of the sort identified in *Boston Scientific*. Taking all of this into account, I conclude that they share a low to medium level of similarity.

48. In respect of the similarity to the opponent's *cigarettes* in its earlier mark 900006338, both cigarette tips and cigarette filters are parts of a cigarette. Consequently, there will be overlap of trade channels and a complementary relationship despite having different purposes and method of use. Further, they are not in competition. I conclude that they share a low to medium level of similarity.

Comparison of marks

49. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual

similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

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

51. I will restrict my comparison with the applicant’s mark to the opponent’s word mark. The opponent’s figurative mark contains elements that increase the differences to the applicant’s mark and, therefore, if the opponent cannot not succeed based upon its word mark, it will not succeed in respect of its figurative mark. In saying this, I recognise that the figurative mark is registered in respect of a broader range of goods but I will return to this only if the opponent is successful to any extent based upon its word mark.

52. The respective marks are shown below:

Opponent’s earlier mark	Applicant’s mark
LUCKY STRIKE	LUCKY BAR

53. The opponent's mark consists of the two words LUCKY and STRIKE. Mr Joy submitted that the word LUCKY is dominant and is the more distinctive element. I disagree. The two elements are readily understood dictionary words that form a unit, and they share roughly equal dominance within the mark with no one word any more prominent than the other. I discuss the exact meaning when considering conceptual similarities.

54. The applicant's mark consists of the two words LUCKY and BAR. Once again, the words combine to form a unit. The word LUCKY is a longer word than BAR and, consequently, has a slightly greater visual dominance, but because the words form a unit it is the combination of the two words that creates the distinctive character of the mark rather than any one element.

55. Considering the visual similarities between the applicant's mark and the opponent's word mark, they share the same first element LUCKY but differ in that they have different second elements. The word BAR in the applicant's mark is half the length, and bears no resemblance, to the word STRIKE in the opponent's mark. Taking these similarities and differences into account, I conclude they share a medium level of visual similarity.

56. The opponent's marks consist of the three syllables LUK-EE-STRIKE and the applicant's mark consists of the three syllables LUK-EE-BAR. They coincide insofar as they share the same first two syllables. They differ in having different third syllables. Taking the similarity and differences into account, I conclude they share a medium level of aural similarity.

57. In respect of a conceptual comparison, as I have already noted, the words LUCKY STRIKE form a unit, as do the words LUCKY BAR. The words are all familiar dictionary words with the word LUCKY being readily understood as being an adjective to indicate that something fortunate or desirable has happened. The word STRIKE has a number of meanings but when following the adjective LUCKY it is most likely to be understood as a reference to a deliberate hit, being hit by something falling/moving or to find

something that brings money or success.⁸ The word BAR also has a number of readily understood meanings and may be perceived as something that is roughly rectangular or a place where you can buy and drink alcoholic drinks.⁹ Further, the opponent has advanced a submission that the word “bar” is commonly used in the industry and has provided evidence showing such use.¹⁰ This evidence consists of internet extracts from online retailers vapestore.co.uk, vapegreen.co.uk, vpz.co.uk, VAPOR DNA and VapeLife. The first two of these state that “disposable vapes” are known as “vape bars” and there are numerous such goods offered for sale. I accept the proposition and consider that the mark LUCKY BAR may also be understood as a reference to vape bar that is lucky in some way.

58. Taking these factors into account, regardless of which meaning the average consumer attaches to the words STRIKE and BAR, the marks will be perceived as having different conceptual identities. The concept of “luck” appears within both these concepts and creates some similarity, but I would not put this similarity as being anything more than low.

Average consumer and the purchasing act

59. 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*.

60. 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:

⁸ See Strike definition and meaning | Collins English Dictionary (collinsdictionary.com) and To strike gold definition and meaning | Collins English Dictionary (collinsdictionary.com)

⁹ See Bar definition and meaning | Collins English Dictionary (collinsdictionary.com)

¹⁰ WS [38] and Exhibit EA24

“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.”

61. The average consumer for the parties’ goods is likely to be adult members of the general public who use tobacco, tobacco products and electronic cigarettes. The cost of the purchase is likely to be fairly low, and the goods are likely to be purchased reasonably frequently. The average consumer is likely to take into account factors such as nicotine content and flavour. Taking all of this into account, I consider that a medium degree of attention will be paid during the purchasing process.

62. In the UK, tobacco goods are stored behind a counter and not visibly on display. Therefore, the consumer will need to request them aurally. Consequently, the purchasing process will be predominantly aural in nature. However, once the request has been made, the average consumer will have sight of the packaging at the point of purchase and so visual considerations will also apply.

63. No such promotional restrictions apply to electric cigarettes, vaporizers for smokers and some smoker’s articles such as matches, gas containers for lighters and lighters for smokers. The purchasing process in respect of such goods will be predominantly visual in nature but, once again, I recognise that aural considerations may play a part, especially where the consumer interacts with a sales assistant.

Distinctive character of the earlier trade mark

64. 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).”

65. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of the mark can be enhanced by virtue of the use that has been made of it.

66. The opponent’s LUCKY STRIKE mark consists of readily understood dictionary words that form a unit that is also readily understood. Consequently, it is not endowed with the highest level of inherent distinctive character. However, the mark has no obvious meaning in respect of any of the opponent’s goods and I conclude that it is endowed with a medium level of inherent distinctive character.

67. The opponent also claims that its mark benefits from an enhanced distinctive character because of, what they claim is, a long-standing and significant use and promotion in the UK. I provided a brief summary of the opponent's evidence at paragraph 17, and I note that the evidence illustrates significant use of the LUCKY STRIKE mark in the UK in respect of cigarettes. In addition, I note:

- Boxes of cigarettes bearing the mark LUCKY STRIKE are shown as being provided online into the UK;¹¹
- LUCKY STRIKE cigarettes have been sold in the UK since 2002;¹²
- Sales volumes in the UK were declining from over 32.5 million sticks in 2011 to nearly 9.6 million sticks in 2015;¹³
- LUCKY STRIKE cigarettes are sold throughout the UK from "several thousand" outlets such as tobacconists, supermarkets, garages and newsagents;¹⁴
- Examples of pack designs for the UK market are provided showing the word mark;¹⁵
- Over the years, the LUCKY STRIKE brand has appeared in music lyrics and references in TV and film as well as being used in sponsorship programmes in Formula 1 and motorbike racing

68. This evidence confirms that the opponent's mark benefits from a reasonable enhancement to its distinctive character in the UK and I would categorise their distinctive character in respect of cigarettes as being high. The evidence does not demonstrate use in respect of any other products.

Global Assessment – Conclusions on Likelihood of Confusion

69. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that

¹¹ WS [35] and Exhibit EA20

¹² WS [20]

¹³ WS [21]

¹⁴ WS [35]

¹⁵ WS [36] and Exhibit EA21

exists between the marks and the goods down to the responsible undertakings being the same or related. There is no simple formula for determining whether there is a likelihood of confusion. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. I must make a global assessment of the competing factors (*Sabel* at [22]), keeping in mind the interdependency between them i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and vice versa (*Canon* at [17]). In making my assessment, I must consider the various factors from the perspective of the average consumer, bearing in mind that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

70. In the current case, I have found that:

- Some of the respective goods are identical;
- The word mark LUCKY STRIKE and the applicant's mark LUCKY BAR both consist of word combinations that form a unit with no one word dominating. Rather the distinctive character resides in the combination of the two words in each mark;
- The applicant's mark shares a medium level of visual and aural similarity and no more than a low level of conceptual similarity to the opponent's mark;
- The average consumer is an adult member of the general public who will pay a medium degree of care and attention during the purchasing act. In respect of tobacco products, this will be primarily aural in nature, but visual considerations are also relevant. In respect of the other goods, the purchasing process is visual in nature, but I also keep in mind that aural considerations may play a part;
- The opponent's mark is endowed with a medium level of inherent distinctive character. The distinctiveness of the mark is enhanced through use to a high level.

71. I keep all these findings in mind and note here that some of them point towards confusion (such as identical goods), whilst others point away from a likelihood of confusion (such as the fact that the respective word elements form a unit with no one

word dominating). Considering whether there is a likelihood of confusion requires that I keep in mind all of these factors.

72. The opponent relies upon a claim that its LUCKY STRIKE cigarettes are sometimes referred to as LUCKIES. There is some evidence to support this¹⁶, however, reliance upon a LUCKIES mark cannot succeed for two reasons. Firstly, the use shown is not use in trade, but rather informal references made by third parties. Such use is not trade mark use by the opponent or with its consent and is not use to generate and maintain a market for its goods. Secondly, there is no such mark relied upon for the purposes of section 5(2) and the use shown does not demonstrate that the opponent has an earlier mark LUCKIES such that it can be relied upon for this ground. I dismiss this argument.

73. I have already found the words LUCKY BAR form a unit and the fact that the word “bar” may be perceived as descriptive does not change this finding. This is an important factor because both marks form a unit, and they have different meaning. The significance of the common presence of the word LUCKY in both marks is greatly reduced by the fact that the respective marks consist of a combination of words that create different impressions in the mind of the consumer. In fact, to my mind, these different meanings are sufficient to overcome the similarity created by the word LUCKY. Even where identical goods are involved, the average consumer is likely, because of the different meaning of each mark, to recognise the differences, even when imperfect recollection is kept firmly in mind. Consequently, there is no likelihood of direct confusion. As, I referred to earlier, the opponent’s figurative mark is less similar still when compared to the applicant’s mark and it follows that there is no direct confusion between this mark and the applicant’s mark.

74. At the hearing, Mr Joy conceded that indirect confusion was most likely because the consumer will perceive the mark LUCKY BAR as a brand extension of the mark LUCKY STRIKE. He submitted that if the opponent wished to enter the e-cigarette market, the mark LUCKY BAR “would be high on its list”.

¹⁶ WS [11] and Exhibit EA5

75. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C. (as he then was), as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: ‘The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark’.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

- (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (‘26 RED TESCO’ would no doubt be such a case).
- (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as ‘LITE’, ‘EXPRESS’, ‘WORLDWIDE’, ‘MINI’ etc.).
- (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (‘FAT FACE’ to ‘BRAT FACE’ for example)”.

76. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that “a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion”. Arnold LJ agreed, pointing out that there must be a “proper basis” for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

77. It is not sufficient that a mark merely calls to mind another mark: *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17. This is mere association not indirect confusion.

78. I recognise that the categories identified by Mr Purvis are not an exhaustive list. In the current case, it is argued that because the word “bar” is descriptive of a disposable vape then it would be a natural brand extension where the provider of LUCKY STRIKE cigarettes wished to enter the disposable vape market. I reject this argument for a number of reasons:

- (i) There is no evidence before me that cigarette brand owners commonly move into the vaping market or that the consumer would know this. Consequently, this does not provide the “proper basis” for reaching a conclusion of indirect confusion;
- (ii) The respective marks both form a unit with different meanings. The word LUCKY in the opponent’s mark forms a unit with the word STRIKE and it is this combination that creates the mark’s distinctive character. The word LUCKY does not have independent distinctive role in the mark.
- (iii) The difference between the respective marks is not one that falls into the categories identified by Mr Purvis. The common element is NOT so strikingly distinctive that the consumer would assume that no-one else, but the brand owner would be using it in a trade mark at all. Rather, it is the ordinary dictionary word LUCKY. Third party references to the opponent’s goods being referred to as LUCKIES does not change this. LUCKIES has a different distinctive character to the word LUCKY and, further, it is not an earlier mark for the purposes of section 5(2)(b).

- (iv) The differences between the respective marks are not logical or consistent with a brand extension because the word STRIKE has no meaning in respect of the goods in question and is a different and unrelated meaning to the word BAR. The possible exception is if LUCKY STRIKE is used in respect of *matches* which, of course, can be struck in order to light them. However, the word STRIKE is a verb, but the word BAR is a noun and, therefore, the latter is not a natural replacement of the former in a brand extension.

79. For all these reasons, I reject the claim to a likelihood of indirect confusion based upon the opponent's word mark. It follows that the opponent is unsuccessful insofar as it also relies upon its figurative mark.

80. In light of my findings, the ground based upon section 5(2)(b) is rejected.

Section 5(4)(a)

81. At the hearing, Mr Joy informed me that the opponent withdraws the opposition to the extent that it is based on section 5(4)(a) of the Act.

Section 5(3)

82. Section 5(3) states:

“(3) A trade mark which-

is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark”.

83. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark’s ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a

change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

84. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the earlier marks have achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier marks being brought to mind by the later

mark. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of the types of damage claimed will occur and/or that the contested mark will, without due cause, take unfair advantage of the reputation and/or distinctive character of the reputed marks. It is unnecessary for the purposes of section 5(3) that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

85. The relevant date for the assessment under section 5(3) is the date of the application i.e. 28 September 2021.

Reputation

86. The authoritative statement as to what is required to demonstrate reputation comes from the CJEU in the *General Motors* case⁵ where the court held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade

mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

87. In *Burgerista Operations GmbH v Burgista Bros Limited*,¹⁷ Judge Hacon stated that “*Reputation constitutes a knowledge threshold.*” The nature of the reputation may bring with it other qualities and values, but in the first instance it is simply a question of how many of the potential consumers of the goods/services covered by the earlier mark know about it.

88. Similarly to my considerations under section 5(2)(b), I will restrict my considerations to the opponent’s word mark. At paragraphs 67 and 68, I briefly summarised the evidence and assessed it for the purposes of enhanced distinctive character. Whilst I appreciate that assessment of enhanced distinctive character and of reputation involves different tests, it is clear to me that sufficient numbers of the opponent’s potential customers will know about LUCKY STRIKE cigarettes, and I conclude the evidence illustrates the requisite reputation in both the UK and the EU.

Link

89. In Case C-408/01, *Adidas-Salomon*, the CJEU held that:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link

¹⁷ [2018] EWHC (IPEC)

between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

90. In *Calvin Klein Trademark Trust v OHIM*, Case C-254/09P, the CJEU rejected an appeal against a judgment of the General Court rejecting an opposition against an application for what was then a Community trade mark (now a European Union trade mark) under what is now article 8(5) of the European Union Trade Mark Regulation, which is analogous to s.5(3) of the Act. The court held that:

“68. It should be noted that, in order for Article 8(5) of Regulation No 40/94 to be applicable, the marks at issue must be identical or similar. Consequently, that provision is manifestly inapplicable where, as in the present case, the General Court ruled out any similarity between the marks at issue.”

91. In *Intra-Press SAS v OHIM*, joined cases C-581/13P & C-582/13P, the CJEU stated (at paragraph 72 of its judgment) that:

“The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (see judgment in *Ferrero v OHMI*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited).”

92. Therefore I keep in mind that there must be some similarity between the respective marks, but a lesser degree of similarity is required than when assessing a likelihood of confusion.

93. Clearly, there is some similarity between the marks (for the reasons I discussed at paragraphs 52 – 58). Mr Joy pointed out that at least some of the respective goods are identical. I accept that the term *cigarettes* in the contested application coincides with the goods for which the opponent's mark has a reputation.

94. Despite some similarity between the respective marks (because of the common presence of the word LUCKY), as I have previously found the word forms part of a unit in both marks and these units have different meanings. Further, the word LUCKY is a commonly used and understood dictionary word and is, *solus*, not associated with the opponent other than as part of its mark LUCKY STRIKE. Whilst I keep firmly in mind that a lower level of similarity is required to establish the requisite link, the different meanings associated with the respective marks and the fact that LUCKY is a readily understood common meaning, I find that the requisite link will not be established, notwithstanding the identity of some of the goods and the strength of the opponent's reputation. It is my view that, upon encountering the applicant's mark, a consumer or potential consumer of the opponent's cigarettes is not likely to assume any connection and if there is any bringing to mind, it will be put down to no more than coincidence. The applicant's mark is likely to strike the consumer as a unit with a specific meaning that is unrelated to the meaning attached to the opponent's mark.

95. In summary, the ground based upon section 5(3) is rejected on the basis that the requisite link has not been established between the opponent's word mark and the applicant's mark. It follows that the same findings apply when considering the issue from the perspective of the opponent's figurative mark.

Summary

96. The opposition fails in its entirety and the application may proceed to registration.

COSTS

97. The applicant has been successful and is entitled to a contribution towards its costs of the proceedings. I keep in mind that the applicant did not file evidence nor attended the hearing. In the circumstances I award the applicant costs as follows:

Considering statement of case and preparing and filing Form TM8 and counterstatement:	£300
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Considering other side's evidence:	£400
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Total:	£700
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98. I, therefore, order British American Tobacco (Brands) Inc. to pay Shenzhen Muje Technology Co., Ltd. the sum of £700. This 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 16th day of May 2023

Mark Bryant
For the Registrar