

BL O/0976/23

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3702076 IN THE NAME OF SHENZHEN MUJE TECHNOLOGY CO., LTD FOR THE TRADE MARK

LUCKY BAR

IN CLASS 34

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

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF MARK BRYANT (O/454/23) DATED 16 MAY 2023.


DECISION

Introduction

1. This is an appeal by British American Tobacco (Brands) Inc. ("**Appellant**") from decision O/454/23 of Mr M. Bryant ("**Decision**") concerning the opposition by the Appellant to Shenzhen Muje Technologu Co., Ltd's ("**Respondent**") application number 3702076 for LUCKY BAR, filed on 28 September 2021 in respect of the following goods and services ("**Application**"):

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. The Appellant relied upon the following marks¹, to which I shall refer as the "**Device Mark**" and "**Word Mark**" respectively:

Mark	Number	Filing & registration date	Class	Specification relied upon
	3459392	20/01/20, 07/08/20	34	<i>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;</i>

¹ The Appellant initially relied upon a third word mark, UK2470129 for LUCKY STRIKE, but withdrew that reliance at the hearing before the Hearing Officer

				<i>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.</i>
LUCKY STRIKE	900006338 (comparable UK mark)	01/04/96, 17/04/00	34	<i>Cigarettes, tobacco, tobacco products, smoker's requisites, lighters and matches.</i>

3. In the Decision, M. Bryant for the Registrar held that the opposition was unsuccessful.
4. On 13 June 2023 the Appellant filed a Notice to Appeal to the Appointed Person against the Decision under Section 76 of the Trade Marks Act 1994.

The Hearing Officer's decision

5. The Hearing Officer held as follows (in summary, and insofar as is relevant to this appeal):
 - a. The Respondent having put the Appellant to proof of use in respect of the Word Mark, the Appellant demonstrated genuine use of the Word Mark for *cigarettes*.
 - b. The average consumer of the parties' goods will be adult members of the general public, who will pay a medium degree of attention during the purchasing process.
 - c. Given that tobacco goods are not visibly on display in stores, the purchasing process for such goods will be predominantly aural in nature, but visual considerations will also apply. For electronic cigarettes, vaporizers for smokers and some smoker's articles such as matches, gas containers for lighters and lighters for smokers, for all of which the abovementioned promotional restrictions do not apply, the purchasing process will be predominantly visual, but aural considerations will also apply.
 - d. The Word Mark is inherently distinctive to a medium degree. It benefits from an enhanced distinctive character through use, and it has a high degree of distinctive character in respect of *cigarettes*.
 - e. The two elements of the Word Mark, LUCKY and STRIKE, share "roughly equal dominance".
 - f. The two elements of the Application, LUCKY and BAR, share equal dominance.
 - g. The Application and the Word Mark are visually similar to a medium degree, aurally similar to a medium degree, and conceptually similar to a low degree. That assessment was performed on the basis of the Word Mark alone, with the Device Mark to be revisited only if the Hearing Officer deemed it necessary to do so.

- h. The Hearing Officer's findings as to similarity of goods are summarised in the Annex (taken from the Appellant's skeleton argument).
- i. There is no likelihood of direct or indirect confusion between the Application and the Word Mark, and accordingly no need to consider the Device Mark.
- j. The Word Mark enjoys a reputation in the UK.
- k. There would be no 'link' formed in the mind of the relevant section of the public between the Application and the Word Mark, so the s. 5(3) ground was dismissed.

Grounds of Appeal

- 6. In the Statement of Grounds of Appeal and the skeleton argument, the Appellant made the following criticisms of the Decision:
 - a. **Ground 1 (Dominant elements of the Word Mark)** The Hearing Officer failed properly to take into account the Appellant's evidence demonstrating the dominance of the term LUCKY, and further erred in law – he should have found that the word LUCKY was the dominant element of the Word Mark.
 - b. **Ground 2 (Dominant elements of the Application)** The Hearing Officer failed properly to apply the consequences of his findings as to descriptiveness, and further erred in law – he should have found that the word LUCKY was the dominant element of the Application.
 - c. **Ground 3 (Similarity of marks)** The Hearing Officer applied his earlier incorrect decisions as to distinctiveness/dominance, and further erred in law – he should have found that the level of visual, aural and conceptual similarity was in each instance high.
 - d. **Ground 4 (Indirect confusion)** The Hearing Officer applied his earlier incorrect decisions as to distinctiveness/dominance, and similarity of marks, and further failed properly to apply the law on indirect confusion – he should have found that there was a likelihood of indirect confusion.
 - e. **Ground 5 ('Link' and s5(3))** The Hearing Officer applied his earlier incorrect decisions on distinctiveness/dominance, similarity of marks, and likelihood of confusion – he should have found that the necessary 'link' was established, and gone on to conclude that there was a likelihood of unfair advantage, detriment to distinctive character, and detriment to reputation.
- 7. The Appellant's Counsel, Mr Carter, expanded upon the above at the hearing, and I set out below further details as are necessary to understand my overall conclusions. I am grateful to Mr Carter for his clear and detailed written and oral submissions, which I found very helpful. The Respondent filed a Respondent's Notice but did not file any written submissions or attend the hearing. I have read the Respondent's Notice and the Respondent's written submissions to the Hearing Officer, and have taken them into account in making this decision.

Standard of review

- 8. The approach to be adopted in an appeal hearing has been laid down a number of times in case law, both in general terms (e.g. by the Supreme Court in *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671) and specifically in relation to appeals before the Appointed Person (Daniel

Alexander Q.C. sitting as the Appointed Person in *TT Education Ltd v Pie Corbett Consultancy Ltd* (O/017/17), approved by Arnold J in *Apple Inc. v Arcadia Trading Limited* [2017] EWHC 440 (Ch). These cases establish the following principles:

- Appeals to the appointed person are by way of review, not re-hearing;
 - It is necessary for the appellant to satisfy the appeal tribunal that there was a distinct and material error of principle in the Hearing Officer's decision, or that the Hearing Officer was wrong;
 - In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it;
 - In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation;
 - Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be 'clearly' or 'plainly' wrong to warrant appellate interference but mere doubt about the decision will not suffice;
 - An error of principle is not confined to an error as to the law but extends to certain types of error in the application of a legal standard to the facts in an evaluation of those facts. Such errors might include asking the wrong question, failing to take account of relevant matters, or taking into account irrelevant matters;
 - The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account.
9. In addition to the above, Mr Iain Purvis KC sitting as the Appointed Person in *ROCHESTER Trade Mark*, BL O/049/17, made the following observations at paragraph 33:

“... the reluctance of the Appointed Person to interfere with a decision of a Hearing Officer on likelihood of confusion is quite high for at least the following reasons:

(i) The decision involves the consideration of a large number of factors, whose relative weight is not laid down by law but is a matter of judgment for the tribunal on the particular facts of each case

(ii) The legal test 'likely to cause confusion amongst the average consumer' is inherently imprecise, not least because the average consumer is not a real person

(iii) The Hearing Officer is an experienced and well-trained tribunal, who deals with far more cases on a day-to-day basis than the Appellate tribunal

(iv) The legal test involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade. Any wise person who has practised in this field will have come to recognize that it is often very difficult to make such a prediction with confidence

Any sensible Appellate tribunal will therefore apply a healthy degree of self-doubt to its own opinion on the result of the legal test in any particular case."

10. I shall bear all the above in mind when reviewing the Decision.

Discussion

11. Looking at the various grounds in turn, my analysis is as follows.

(1) Dominant elements of the Word Mark

12. The Hearing Officer, correctly, reminded himself at §49 that "the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details ... 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".

13. The Hearing Officer then assessed the distinctiveness/dominance of the elements of the Word Mark at §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".

14. The Appellant submits that the Hearing Officer made two errors of principle in the above assessment. First, he failed to take into account, or reached factually incorrect conclusions in respect of, the Appellant's evidence as to the use by itself and third parties of variants of the Word Mark such as LUCKY/LUCKIES/LUCKYS, and the consequent perception by consumers of the dominance of the word LUCKY in the Word Mark. Secondly, he failed to apply the legal principle that typically the beginnings of marks have greater significance in their overall impressions, despite such argument being advanced by the Appellant in its skeleton argument before the Hearing Officer.

15. In order to consider the first alleged error, I have reviewed the evidence submitted by the Appellant at first instance. Much of that evidence concerns the Appellant's use of LUCKY/LUCKIES/LUCKYS in the USA and other non-UK countries – such evidence is of little or no relevance in assessing whether the UK average consumer would regard the word LUCKY as having more distinctive character than the word STRIKE. However, I consider the following

sections of the Appellant's evidence are relevant to the assessment of the distinctive and dominant elements of the Word Mark by the UK average consumer:

- §29j of the witness statement of Esefori Akpogheneta (Trade Mark Counsel of the Appellant) refers to the film GoodFellas, in which two characters are heard selling "2 Luckies" to a customer. Although GoodFellas is of course set in the USA, I take judicial notice of its popularity and recognition in the UK, such that it forms part of UK popular culture.
 - Exhibit EA5: A UK advert for LUCKY STRIKE cigarettes, dating from around 2004, containing the strapline "DEMAND FOR LUCKIES IS ON THE INCREASE". I note that tobacco advertising was prohibited in the UK between 2003-2005, as a result of the UK Tobacco Advertising and Promotion Act 2002, and therefore the Appellant has not been able to promote its brand in the UK since that date. This advert is therefore likely to be amongst the last that the Appellant was able to run in the UK.
 - EA9 pp.53 (WS §16): Interbrand Publication "The World's Greatest Brands" 1996, which is a UK publication, containing the line "'Luckies' are a powerful international brand to the benefit of their owner British American Tobacco".
 - Exhibit EA11: The lyrics to the Billy Joel song "Keeping the Faith", which includes the line "I took a fresh pack of Luckies". I note that the album in which the song was included, "An Innocent Man", reached number 2 in the UK albums charts in 1983.
 - Exhibit EA12: The lyrics to the Dropkick Murphys song "Sunday Hardcore Matinee", which opens with the line "15 kids in a pickup truck, your Chucks, a case of beer Pack of Luckys, jeans rolled up, your one way out of here".
 - Exhibit EA16: Article from the UK Purple Revolver website dated 23 September 2013 titled "Mad Men blasted for boosting Lucky Strike cigarette sales", containing the line "Lead character Don Draper is a chain smoker and regularly fires up one of his 'Luckies', but in recent episodes he started to develop a guilty conscience about marketing the cigarettes".
 - Exhibit EA16: Article from the Daily Mail dated 23 September 2013 titled "Mad Men sparks cigarette sales boom for Lucky Strike with 10 BILLION more packs sold last year compared to when series first aired", containing the line "Lead character Don Draper, played by Jon Hamm, is a chain smoker who invariably has a 'Lucky' in hand".
 - Exhibit EA16, p. 132: Article from Prima Bergamo which includes the line "Ian Fleming's legendary James Bond smokes "Luckies" in Live and Let Die".
16. The evidence submitted by the Appellant therefore contains examples of i) the Appellant itself referring in its advertising materials to its cigarette product as "LUCKIES", ii) third parties, in works which form part of UK popular culture, referring to the Appellant's cigarette product as LUCKIES/LUCKYS, and iii) recognition in the UK press that the Appellant's cigarette product is sometimes referred to as LUCKY/LUCKIES. Taking all that into account, it is tolerably clear to me that the UK average consumer would perceive the word LUCKY as having more distinctive weight than the word STRIKES in the Word Mark. As is clear from §53 of the Decision (cited above), the Hearing Officer reached a different conclusion. Of course, unless the Hearing Officer made a material error of principle or was wrong (in the sense set out at the fifth bullet point at

paragraph 8 above) in reaching that conclusion, my own analysis of the evidence is of no consequence.

17. Why, then, did the Hearing Officer reach the conclusion that he did? At §72, he said:

“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”. The footnote states “WS [11] and Exhibit EA5”.
18. As is clear from my analysis of the Appellant’s evidence above, the Hearing Officer’s contention that “the use shown is not use in trade” is incorrect – one of the examples relied upon by the Appellant (in fact, the very example referred to by the Hearing Officer in the footnote to §72) is of the Appellant’s own UK advertising. Furthermore, informal references by third parties can in and of themselves provide evidence of the perception of the average consumer, provided that those references are known within the UK.
19. With regard to the second issue in §72, whereas the Hearing Officer is correct in stating that the Appellant does not rely upon any earlier mark LUCKIES, that is beside the point. The Appellant’s argument is not that it has independent trade mark rights in the word LUCKY/LUCKIES, but rather that the use it has made of the Word Mark is such as to lead to the word LUCKY being perceived as having more dominance than the word STRIKES.
20. As for the Hearing Officer’s contention at §53 that the two words “are readily understood dictionary words that form a unit”, whereas that is correct, it does not mean that one of the words is incapable of having more distinctive character than the other.
21. In my view, the Hearing Officer’s dismissal of the Appellant’s argument that LUCKY is perceived by the average consumer as having more dominance than the word STRIKES was unsupportable and therefore wrong. In the circumstances, I am entitled to substitute my own view – that the word LUCKY has at least a modest degree of higher distinctive character within the Word Mark than does the word STRIKES.
22. With regard to the second criticism – failure to take into account the principle that that the beginnings of marks tend to have greater significance in their overall impressions – the Appellant contends that this amounts to an error of law. I am not persuaded that that is so. The principle laid down in *El Corté Ingles* and other case law is not a hard and fast rule of law. Rather, it is a practical rule of thumb, based on experience and observation. I suggested to Mr Carter in the hearing that the principle amounts to no more than “All else being equal, the average consumer will tend to pay more attention to the beginnings of marks than other parts of marks”. Mr Carter agreed, and conceded also that the presumption can easily be rebutted, for example where the beginning of the mark is descriptive.
23. Nevertheless, it is correct to say that the Appellant raised the issue in its skeleton argument before the Hearing Officer, and the Hearing Officer failed to address it in his Decision. Whereas a Hearing Officer is not required to deal with each and every point made by the parties, where

(as here) an argument forms an important plank of a party's central argument, it is incumbent on the Hearing Officer to deal with it. I regard the Hearing Officer's failure to deal with the point as an error of principle, and I am accordingly entitled to consider the Appellant's argument for myself.

24. I have already held that, on the evidence, the word LUCKY has at least a modest degree of higher distinctive character within the Word Mark than does the word STRIKES. The fact that LUCKY is the first word in the mark will add further to that distinctive character. I do not go as far as contended by the Appellant, i.e. that the word LUCKY is the dominant element of the Word Mark, however I accede to the Appellant's fall-back position, namely that the word LUCKY retains an independent distinctive role within the Word Mark.

(2) Dominant elements of the Application

25. The Hearing Officer assessed the distinctiveness/dominance of the elements of the elements of the Application at §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”.

26. The Appellant submits that the Hearing Officer made two errors of principle in the above assessment. First, having made a finding that the word BAR is descriptive of certain of the goods covered by the Application, he failed to take that into account when assessing the distinctive and dominant elements of the Application. Secondly, he failed to apply the legal principle that typically the beginnings of marks have greater significance in their overall impressions, despite such argument being advanced by the Appellant in its skeleton argument before the Hearing Officer.

27. The Hearing Officer dealt with the alleged descriptive nature of the word BAR at §57:

“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”. The footnote states “WS [38] and Exhibit EA24”.

28. Having made that finding, it is not clear to me why the Hearing Officer nevertheless held that the words LUCKY and BAR are co-dominant. In my view, at least for goods which relate to or are similar to vape bars, it must inevitably be the case that the word BAR has less distinctive character than the word LUCKY. The Hearing Officer was wrong to hold otherwise. The Appellant also contended during the hearing that the word BAR is also descriptive of “*Cigars; Cigarettes; Cigarette tips; Cigarette filters Tobacco pipes; Matches; Lighters for smokers*”, given that all such goods are bar-shaped. I do not agree with this submission – I have not been directed to any evidence that members of the public ever use the word “bar” to refer to such goods.

29. Consequently, I hold that the word LUCKY has a substantially greater degree of distinctive character than the word BAR for *“Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers”*.
30. The second criticism is identical to that discussed at paragraphs 20-22 above. My conclusion is the same – the positioning of the word LUCKY at the beginning of the Application will tend to add further to its distinctive character.
31. My conclusion, therefore, is that for *“Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers”*, the word LUCKY is the dominant element of the Application. For other goods, the word LUCKY retains an independent distinctive role.

(3) Similarity of marks

32. The Hearing Officer found that the Word Mark and Application were visually similar to a medium degree, aurally similar to a medium degree, and conceptually similar to a low degree. Given that I have differed from the Hearing Officer in my assessment of the dominant and distinctive elements of the Word Mark and the Application, I shall need to reassess the similarity of the marks. Given my findings, the similarity is plainly higher than that found by the Hearing Officer. The Appellant submits that the marks are highly similar. I consider that that overstates the level of similarity. It is still the case that the Word Mark contains the word “STRIKE”, which is by no means devoid of distinctive character, and is not present in the Application. Furthermore, for goods other than *“Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers”* the word BAR in the Application retains distinctive character.
33. In my view, for *“Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers”* the marks share a medium to high degree of visual, aural and conceptual similarity. For all other goods, the marks share an above medium degree of visual, aural and conceptual similarity.

(4) Indirect confusion

34. The Appellant does not challenge the Hearing Officer’s finding of no likelihood of direct confusion. I believe it was right not to do so – even given the higher degree of similarity between the marks set out above, I consider it is highly unlikely that any substantial number of average consumers would mistake LUCKY STRIKE for LUCKY BAR.
35. The Appellant does however challenge the Hearing Officer’s finding of no likelihood of indirect confusion. It contends that the Hearing Officer misapplied the law on indirect confusion, by only considering *LA Sugar* categories (a) (one element so strikingly distinctive) and (c) (logical or consistent brand extension), but not category (b) – addition of a non-distinctive element – at all. Nor did he consider whether, on the facts of this case, indirect confusion might take some further form.
36. If I had upheld the Hearing Officer’s findings in relation to the level of similarity between the marks, I would have been unlikely to interfere with the Hearing Officer’s analysis of indirect confusion. However, given that I have held that the degree of similarity is higher than held by the Hearing Officer, I shall need to reassess likelihood of indirect confusion for myself.

37. 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)”.

38. As recognised by the Hearing Officer, the above list is not exhaustive, and as stated by Arnold LJ in *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, the key question is whether consumers believe, without mistaking one mark from the other, that goods/services under one mark derive from the same undertaking or from an economically linked undertaking to the other. Whilst there must be a “proper basis” for concluding that such a belief exists, the belief might take a wide variety of forms.

39. In my assessment, the following factors are relevant:

- The word LUCKY retains an independent distinctive role within the Word Mark;
- For “*Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers*”, the word LUCKY is the dominant element of the Application;
- For those same goods, the marks are visually, aurally and conceptually similar to a medium to high degree;
- The Hearing Officer held that those same goods have a slightly higher than medium level of similarity to cigarettes;

- Contrary to the Hearing Officer’s assertion at §78(i), the Appellant provided evidence of cigarette brand owners moving into the vape market (EA22 p.109: an article in the Financial Times addressing the Appellant’s move into the vape market).
40. Taking all the above into account, each of the three *LA Sugar* categories is to some extent applicable. Although the word LUCKY is not “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”, it does retain an independent distinctive role. Given that the Appellant is in the habit of abbreviating the Word Mark to simply LUCKY/LUCKIES, consumers would be likely to assume that nobody else would use the word LUCKY for goods closely associated with cigarettes. The Application substitutes a descriptive word (for *Electronic cigarettes* etc) for the word STRIKE. The substitution of the word BAR appears entirely logical and consistent with a cigarette brand owner moving into the vape market.
 41. Accordingly, I find that at least a substantial proportion of the average consumer would be confused into believing that “*Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers*” bearing the Application derive from the Appellant or from an economically linked undertaking.
 42. The Appellant invites me to consider the position in relation to the Device Mark in relation to the remaining goods in the Application. I shall do so if necessary, but will first consider the fifth ground of appeal.

(5) ‘Link’ and s5(3)

43. The Hearing Officer’s reasons for finding no link between the Application and the Word Mark are set out at §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.”

44. In light of my analysis of similarity of the marks, which differs from that of the Hearing Officer, it is necessary for me to assess link for myself. In my assessment, the following factors are relevant:

- The word LUCKY retains an independent distinctive role within the Word Mark;

- For goods other than *“Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers”*, the word LUCKY, whilst not dominant, retains an independent distinctive role within the Application;
- For those same goods, the marks are visually, aurally and conceptually similar to an above medium degree;
- The Hearing Officer held that those same goods have a level of similarity to cigarettes ranging from very low to identical;

45. Given the above, I have no doubt that the average consumer would establish the requisite link between the Application and the Word Mark in relation to *“Ashtrays for smokers; Tobacco; Cigars; Snuff; Cigarettes; Cigarette cases; Tobacco pipes; Tobacco jars; Matches; Gas containers for cigar lighters; Lighters for smokers; Cigarette paper; Pipe racks for tobacco pipes; Cigarette tips; Herbs for smoking; Cigarette filters”*. I further consider that, given the strong reputation in the Appellant’s Word Mark, and the independent distinctive role of the word LUCKY, that there is a risk of unfair advantage accruing to the Respondent were it to use the Application in relation to the aforementioned goods.

46. Given that finding, it is not necessary for me to go on to consider the Device Mark.

Conclusion

47. There is a likelihood of indirect confusion between the Application and the Word Mark in relation to *“Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers”*. There is a likelihood of unfair advantage in relation to all other goods in Class 34. The Opposition should be upheld in full.

Costs

48. Clearly, the Appellant has been the successful party in this appeal. I order that the Respondent should pay the Appellant £1,500 by way of costs of this appeal, comprising:

- Preparation of Appellant’s Notice: £500
- Attendance at hearing: £1,000.

49. As for the costs below, the Hearing Officer ordered that the Appellant should pay the sum of £700 to the Respondent. I set that costs order aside. I order that the Respondent should pay the following sums, applying the scale in Tribunal Practice Notice 2/2016 (which continues to apply as the proceedings were commenced prior to 1 February 2023, after which date Tribunal Practice Notice 1/2023 applies):

Filing notice of opposition:	£500
Preparing evidence:	£1,000
Preparing for and attending hearing	£1,000
Total:	£2,500

50. The total costs award to the Appellant is accordingly £4,000.

Dr. Brian Whitehead

13 October 2023

Representation

Mr Sam Carter of Counsel for the Opponent / Appellant, instructed by Baker & McKenzie LLP
IPEY for the Applicant / Respondent, who took no part in the appeal

Annex – Hearing Officer's Findings as to Similarity of Goods

Application UK3702076	Word Mark UK900006338	Finding
<i>Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers;</i>	<i>Cigarettes</i>	§35 Slightly higher than medium level of similarity
<i>Cigarette cases; Lighters for smokers;</i>	<i>Cigarettes</i>	§38 Low level of similarity
<i>Cigarette paper; matches; ashtrays for smokers, tobacco pipes, tobacco jars, gas containers for cigar lighters and pipe racks for tobacco pipes</i>	<i>Cigarettes</i>	§§39-40 Very low level of similarity
<i>Tobacco; snuff</i>	<i>Cigarettes</i>	§42 Medium level of similarity
<i>Herbs for smoking</i>	<i>Cigarettes</i>	§44 Reasonably low level of similarity
<i>Cigarettes</i>	<i>Cigarettes</i>	§46 Identical
<i>Cigars</i>	<i>Cigarettes</i>	§46 Medium level of similarity
<i>Cigarette tips; cigarette filters</i>	<i>Cigarettes</i>	§48 Low to medium level of similarity

Application UK3702076	Device Mark UK3459392	Finding
<i>Electronic cigarettes; Liquid solutions for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Oral vaporizers for smokers;</i>	<i>electronic cigarettes; liquids for electronic cigarettes</i>	§34 Identical
<i>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;</i>	<i>Smokers' articles; cigarette lighters; cigar lighters; matches; cigarette paper</i>	§36 Identical
<i>Gas containers for cigar lighters</i>	<i>Cigar lighters</i>	§37 Medium level of similarity
<i>Tobacco; snuff</i>	<i>Tobacco; tobacco products</i>	§41 Identical
<i>Herbs for smoking</i>	<i>Tobacco substitutes (not for medical purposes)</i>	§43 Identical
<i>Cigars; cigarettes</i>	<i>Cigars; cigarettes</i>	§45 Identical
<i>Cigarette filters</i>	<i>Cigarette filters</i>	§47 Identical
<i>Cigarette tips</i>	<i>Cigarette filters</i>	§47 Low to medium level of similarity