

IN THE MATTER OF THE TRADE MARKS ACT 1994

**AND IN THE MATTER OF UK TRADE MARK APPLICATION NO. 2571611
"ZIP" IN THE NAME OF ALLIED GLOBAL TOBACCO LTD**

**AND IN THE MATTER OF OPPOSITION NO. 102171 THERETO
BY ZIPPO MANUFACTURING COMPANY**

**APPEAL BY THE OPPONENT AGAINST THE DECISION OF
MR MARK BRYANT DATED 29 JUNE 2012**

DECISION

1. This is an appeal by the Opponent from a decision of Mr Mark Bryant on behalf of the Registrar, by which he rejected an opposition by Zippo Manufacturing Company ("Zippo") to the registration of the word mark ZIP by Allied Global Tobacco Ltd ("Allied").
2. The opposition was based upon subsection 5(2)(b) of the 1994 Act. Mr Bryant found that there was no likelihood of confusion. Zippo appeals on the basis that he made a number of errors in reaching that conclusion. For the reasons set out below, I consider it right to re-visit the Hearing Officer's conclusions in this case; in my view, there is a likelihood of confusion, the appeal is allowed and the opposition should succeed.

Background

3. On 9 February 2011, Allied applied to register the mark ZIP for tobacco products in class 34. Zippo opposed the application on the basis of four earlier marks ("the Earlier Marks"), each for the word ZIPPO and for goods in class 34, including variously lighters, cigarette papers, and smokers' articles

There were two UK marks:

- a. 575041, filed 9 February 1937
- b. 751971, filed 15 March 1956.

and there were two Community Trade Marks:

- a. 133819, filed 1 April 1996; and
- b. 2507002, filed 18 December 2001.

4. All four of the Earlier Marks had been registered for over five years at the relevant date. Zippo filed substantial evidence showing the use which it had made of the Earlier Marks from 2007 to 2011.
5. The Hearing Officer made a number of findings which are not contentious for the purposes of the appeal:

[23-31]: he found that none of the goods were identical but all of the respective goods would be used by the same users, namely smokers, and Allied's goods were complementary or even indispensable to the use of Zippo's goods. He found that the same outlets might be used for sale of the goods in both specifications and that no distinction could be made in terms of Zippo's goods being limited to high-end products.

He concluded that the respective goods "share a moderate degree of similarity." Whilst this conclusion was initially challenged by Zippo, Mr Traub did not pursue the point at the hearing before me.

[32-33]: the Hearing Officer found that the average consumers for both parties' goods are smokers and although the level of attention paid during the purchasing process of tobacco will be higher than for low-priced consumables, it will still not be of the highest order. The same applied to many of Zippo's smokers' articles. Other goods, which might be purchased on only an occasional basis, such as lighters and cigar boxes, might result in a slightly enhanced level of consideration, but still "not of the highest order".

[42]: the Hearing Officer concluded that the evidence showed very substantial use of the Earlier Marks in relation to lighters, but also showed use in relation to a wider range of goods, such as ashtrays, smokers' penknives, various small gift sets, leather goods, watches and cufflinks. In its written submissions to the Hearing Officer, Allied accepted that Zippo had proved use of the goods relied upon in the opposition.

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The Hearing Officer concluded that Zippo's Earlier Marks not only consisted of an invented word endowed with a high level of distinctive character, but had a long-standing reputation in the UK in respect of lighters.

6. The areas of the decision below which were challenged on the appeal relate first to the Hearing Officer's assessment of the level of similarity of the marks, and then to his global assessment of the likelihood of confusion. In particular Zippo submitted that he failed to give due weight to the distinctive character of the Earlier Marks.

Standard of review

7. It was common ground between the parties that this appeal is by way of a review not a rehearing. *Reef Trade Mark* [2003] RPC 5 ("*Reef*") and *BUD Trade Mark* [2003] RPC 25 ("*BUD*") show that neither surprise at a Hearing Officer's conclusion, nor a belief that he has reached the wrong decision, suffice to justify interference in this sort of appeal. Instead, I need to be satisfied that there is a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong (*Reef*). As Robert Walker LJ (as he then was) said:

"...an appellate court should in my view 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" (Reef, para. 28).

8. Those principles have since been affirmed by the House of Lords in *Datec Electronics Holdings Ltd & Ors v. United Parcels Services Ltd* [2007] UKHL 23, [2007] 1 WLR 1325. Mr Daniel Alexander QC sitting as the Appointed Person in case BL O/471/11, *Petmeds*, 14 December 2011, summarised the position:

"Datec and other cases since REEF and BUD all reinforce the need for caution before overturning a finding of the tribunal below of the kind in issue in this case. Difference of view is plainly not enough and, to that extent, the applicant's submissions are correct. However, those cases and the practice of appellate tribunals specifically to trade mark registration disputes show that the degree of caution should not be so great as to permit decisions based on genuine errors of approach to go uncorrected."

In Mr Alexander's decision in *Digipos* [2008] Bus LR 1621 he had said:

"... appellate review of nuanced assessments requires an appellate court to be very cautious in differing from a judge's evaluation. In the context of appeals from the

Registrar relating to section 5(2)(b) of the Act, alleged errors that consist of wrongly assessing similarities between marks, attributing too much or too little discernment to the average consumer or giving too much or too little weight to certain factors in the multi-factorial global assessment are not errors of principle warranting interference. I approach this appeal with that in mind.”

9. Ms McFarland referred me to the recent decision of Floyd J (as he then was) in *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) which was a similar appeal as to the Hearing Officer’s assessment of the similarity of the marks and as to the likelihood of confusion. The learned judge commented

“The hearing officer was engaged in a multifactorial assessment which her expertise ideally qualified her to undertake. This is not a fruitful field in which to discover an error of principle. I am unable to see any error of principle in her legal approach, or in the way in which she applied it to the comparison in this case. She reached a conclusion which she was entitled to reach”.

10. The Hearing Officer in this case was also engaged in a multifactorial assessment which his expertise ideally qualified him to undertake. However, although this may be a barren field in which to discover an error of principle, it cannot be suggested that an appeal based on a Hearing Officer's assessment of a likelihood of confusion will never succeed. It seems to me that the approach which I need to adopt is to decide whether there are errors of principle or material errors which amount to "genuine errors of approach" in the Hearing Officer's decision. If so, the decision should be set aside, even if the error relates to the assessment of the likelihood of confusion; if not, even if I would not have reached the same conclusion as the Hearing Officer, the decision should not be set aside.

The decision below

11. The Hearing Officer said:

“36) From a visual perspective, [the marks] both share the same three letters ZIP, being the totality of Allied’s mark and the first three of the five letters present in Zippo’s mark. They differ in that Zippo’s mark has the additional letters PO that appear at the end of its mark. Taking account of this similarity and difference, I conclude that there is a reasonably high degree of visual similarity.

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

38) It is also necessary for me to consider the level of conceptual similarity. ...

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

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

He went on

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

The Hearing Officer then rejected Allied's argument that brand loyalty is a factor that points towards no likelihood of confusion and went on:

"47) At the hearing, Ms McFarland pointed out that mere association is not sufficient, in the sense that one mark brings the other to mind, but rather there must be confusion in that one mark is mistaken for the other, or that the consumer believes they originate from the same or linked undertaking. To support this point,

Ms McFarland submitted that the current case is analogous with comparisons between the words HIP and HIPPO. Whilst I accept the general point, I do not believe this example is on “all-fours” with the current case, with both HIP and HIPPO having well known meanings creating a clear separation in the meaning of the words and such a separation is absent in the current case.

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

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

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

Similarity of the marks

12. Zippo’s first main criticism of the decision was that the Hearing Officer had gone wrong in reaching his conclusion in [40] that “the respective marks share a moderate level of similarity overall.” Mr Traub submitted that it was illogical to find that the marks had a reasonably high degree of visual and aural similarity, yet to find that the overall similarity

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was only moderate because the marks were neither similar nor dissimilar conceptually. If a conceptual comparison was neutral, Zippo argued, it ought not to have reduced the overall level of similarity from the reasonably high level of similarity on the other fronts.

13. The guidance of the Court of Justice shows that the analysis of the similarity of the marks in question in opposition proceedings includes consideration of any visual, aural or conceptual similarities (or dissimilarities) between them. However, the assessment of the similarity of the marks is but one stage in the more complicated process of assessing the likelihood of confusion, and the Court has made it clear that there must be a global appreciation of all those factors together. The danger inherent in the need to analyse the similarities or dissimilarities of the marks on a visual, aural and conceptual basis is that it may distract from the requirement to take into account the overall impressions given by the marks.
14. There is a further danger in considering an appeal of this nature, which is that a Hearing Officer's conclusions as to similarity may be couched in a variety of different ways, which may reflect no more than semantic differences. However, in this case it appears to me that the Hearing Officer had provided what might be described as his own dictionary as to his assessment of the similarities between the marks. He plainly drew a distinction between his assessment of the level of visual and aural similarity as reasonably high and the level of overall similarity which he assessed as moderate. Regardless of where one would put "reasonably high" on a scale of 1 to 10, it is plain that one would put a "moderate level of similarity" lower on the same scale.
15. The Hearing Officer thought that the marks were reasonably highly similar both visually and aurally. Had he found the marks also to be conceptually similar, presumably that would have increased the level of overall similarity; had he found them to be conceptually different, that would have decreased the level of overall similarity. Mr Bryant considered this point further in [47] of the decision when referring to an argument made on behalf of Allied by Ms McFarland. She had argued that the current case was analogous with comparisons between words 'Hip' and 'Hippo', but Mr Bryant did not accept this, saying both 'Hip' and 'Hippo' have well known meanings "creating a clear separation in the meaning of the words and such a separation is absent in the current case." In the absence of any such clear separation in this case, or any increase in similarity because both marks had the same or similar meanings, the conceptual factor was in effect neutral.

16. In my judgment, it was not logical to have concluded that the lack of conceptual similarity or dissimilarity produced a lower level of similarity between the marks overall. In my view, as Zippo submitted, that conclusion was a material error, demonstrating a genuine error of approach on the part of the Hearing Officer.

Assessment of likelihood of confusion

17. Zippo submitted that the Hearing Officer's error in relation to the assessment of the similarity of the marks was carried through into his overall assessment of the likelihood of confusion in particular in [49] of the decision. Again, it seems to me that the Hearing Officer did make a material error in this regard. Whilst drawing together the various threads of the global assessment in [49] he said that he had found that the marks showed only moderate level of similarity and then added two further sentences dealing with his finding that the marks were neither similar nor dissimilar conceptually. The Hearing Officer's emphasis upon the lack of conceptual similarity between the marks, which he had already factored into his conclusion that the marks were only moderately similar, gave undue importance to the lack of conceptual similarity between the marks. In my view, this "double-counting" amounted to a genuine error of approach in his assessment of the global appreciation of a likelihood of confusion.
18. Zippo also submitted that there was nothing in [49] to indicate that the Hearing Officer had given due weight in his assessment of the likelihood of confusion to the high level of distinctiveness of the Earlier Marks. The Hearing Officer had found that they were inherently highly distinctive, consisting of an invented word. He also found that the evidence showed that Zippo had a long-standing reputation in the UK in respect of lighters. Unusually, he did not consider that evidence to be of any great significance, given the "already high" level of distinctive character of the Earlier Marks.
19. It is well established in the jurisprudence of the Court of Justice that there is a greater likelihood of confusion where an earlier mark has a highly distinctive character. Despite having adverted to that principle earlier in his decision, it does not appear that the Hearing Officer took this point into account in assessing the likelihood of confusion between the parties' respective marks in this case, even though the views which he expressed at [42] of his decision suggest to me that he considered the level of inherent distinctiveness of the Earlier Marks to be unusually high – so high that the amount of use made of them was of no

great significance. It is possible that this is one of those points as to which it may be said that the Hearing Officer failed to express himself as fully as he might have done, but there is certainly no mention of the highly distinctive nature of the Earlier Marks in [49]. It appears to me that this is probably indicative of a further error of approach on his part. If so, it was a significant error.

20. For these reasons, in my judgment this is the case in which it is appropriate to substitute my own conclusions as to the likelihood of confusion for the conclusions of the Hearing Officer. A number of the Hearing Officer's other conclusions were not seriously challenged by Zippo and I do not intend to revisit them. The most significant factors in the global appreciation of the likelihood of confusion are
- a. the 'reasonably high' visual and aural similarity of the marks,
 - b. the degree of similarity of the goods, but in particular the fact that they may be sold in the same trade channels,
 - c. the moderate level of attention likely be paid by the average member of the public in purchasing the goods, and
 - d. the highly distinctive character of the Earlier Marks.

Taking all of these into account, and allowing for imperfect recollection, in my view customers may mistake ZIP for ZIPPO. Alternatively, they may consider that use of ZIP on tobacco products indicates a trade connection between ZIP and ZIPPO. As a result, I find that there is a likelihood of confusion.

21. For these reasons, the appeal is allowed, and the opposition succeeds. Allied should pay Zippo's costs both of the opposition and of the appeal. I assess the costs of the opposition by reference to the usual scale at £2000, that is somewhat higher than the costs assessed by the Hearing Officer, because only Zippo filed evidence before him, and I assess the costs of the appeal at £1500. Allied should pay the total of £3500 to Zippo within 14 days of today.

Amanda Michaels
The Appointed Person
23 April 2013

Mr Florian Traub of Squire Sanders (UK) LLP for the appellant

Ms Denise McFarland instructed by Penningtons LLP for the respondent.