BLO/871/22

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NO. UK00003453810 BY GLOBAL BARGAIN LTD TO REGISTER THE FOLLOWING TRADE MARK: VINTAGE E-LIQUID IN CLASS 34

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 419722 BY STARBUZZ TOBACCO, INC

DECISION

INTRODUCTION

1. By a decision issued on 17th day of March 2021, the Registrar, acting by his hearing officer Mr Morris, rejected an opposition to registration of the mark VINTAGE E-LIQUID in class 34 proposed to be registered for "Electric cigarettes [electronic cigarettes]; Electronic cigarette liquid [e-liquid] comprised of flavourings in liquid form used to refill electronic cigarette cartridges; Electronic cigarette liquid [e-liquid] comprised of flavourings in liquid form used to refill electronic cigarette cartridges; Electronic cigarette liquid [eliquid] comprised of propylene glycol; Electronic cigarette liquid [e-liquid] comprised of vegetable glycerin; Electronic cigarettes."

2. Opposition was brought on the basis of section 5(2)(b) of the Trade Marks Act 1994 on the footing that the earlier EUTM 013654652 "VINTAGE BY STARBUZZ" registered for "Tobacco products; cigarette tobacco; chewing tobacco; pipe tobacco; smokers' articles of all kinds; matches; electronic shishas; shishas; hookahs; electronic hookahs; electronic cigarettes" was a similar mark registered in respect of similar goods and there was as a result a likelihood of confusion.

3. It was obvious that, in some respects, the goods in respect of which the earlier mark was registered were identical (electronic cigarettes) and the hearing officer found that there was a "medium-high range" degree of similarity between electronic cigarettes and

the other goods in class 34 for which the applicant's mark was proposed to be registered. He said that, having so found, it was unnecessary to compare the applicant's goods with any of the other goods for which the opponent's mark was registered.

4. The hearing officer went on to consider the average consumer and considered that the purchaser of the goods would be predominantly the general public, although he noted that a smaller number of purchases would be made by professional consumers in the course of their business (e.g. supplying electronic cigarettes). Consumers would exercise an "average" degree of attention.

5. The hearing officer went on to compare the marks which are respectively:
VINTAGE BY STARBUZZ (opponent's earlier mark) and
VINTAGE E-LIQUID (applicant's mark).

6. The hearing officer evaluated similarity by reference to the well-known approach in *Sabel v. Puma*, considering the marks as a whole. He held that the overall impression of the marks resided in their entirety, albeit that the VINTAGE element would be read first. He thought that this would have the edge in terms of visual dominance in the opponent's mark. He also thought that the term VINTAGE would be the more dominant element and carried more weight in the overall impression of the applicant's mark because E-LIQUID was descriptive. He concluded that the fact that each mark had the word VINTAGE as the first word and these were identical meant that, having regard to the visual differences there was a "medium level of visual similarity" between the marks.

7. He went on to consider aural similarity and held that, if the marks were articulated in their entirety, there was no more than a medium level of similarity but that if only the VINTAGE element was articulated, they were identical. He went on to hold that, in many instances, only the VINTAGE element would be articulated.

8. He considered that there was a medium level of conceptual similarity between the marks. The heart of his decision was expressed in paragraphs [77]-[80] of his decision, where he held that there was insufficient likelihood of direct confusion but a likelihood of indirect confusion. As to direct confusion, he said:

"77. I have determined that:

• The following goods in the Applicant's specification are identical with the Opponent's electronic cigarettes: Electric cigarettes [electronic cigarettes]; Electronic cigarettes.

• The remaining goods in the Applicant's specification, shown below, are similar to the Opponent's electronic cigarettes to medium-high degree: Electronic cigarette liquid [e-liquid] comprised of flavorings in liquid form used to refill electronic cigarette cartridges; Electronic cigarette liquid [e-liquid] comprised of flavourings in liquid form used to refill electronic cigarette cartridges; Electronic cigarette liquid [e-liquid] comprised of propylene glycol; Electronic cigarette liquid [e- liquid] comprised of vegetable glycerine.

• There is a medium level of visual similarity between the marks.

• The level of aural similarity between the marks is no more than medium, if the marks are articulated in their entirety; whereas if only the 'VINTAGE' element is articulated, then they are aurally identical.

• The level of conceptual similarity between the respective marks is at least medium.

78. As noted above, at paragraph [53], the purchasing act will, in most instances, be visual in nature. Although the purchasing act will have an aural aspect in some cases, to the extent that the purchase is concluded after seeking advice or recommendation from a member of retail staff, I consider that the product, or an image of it, would be shown to the purchaser in the course of such consultation. The visual aspect of the marks will play a more prominent role because the selection of, or decision to purchase, the goods will usually be made after visual exposure to the mark either by way of information on a website, or after seeing the products in a shop. Consequently, I consider that the weight to be accorded to the aural similarity of the marks is somewhat diminished.

79. In my view, the visual differences between the marks, together with my finding that aural identity between the marks will have a lesser weight than the visual impact of the marks, are sufficient to rule out the likelihood of direct confusion. I find this to be the case even in respect of the respective goods that I have found to be identical (i.e. electronic cigarettes). As noted above, at [54], the purchaser will display at least an above average level of attention when making their purchase."

9. As to indirect confusion, he said, having cited *LA Sugar*:

"80. However, the following observations lead me to conclude that there is a likelihood of indirect confusion in respect of all goods to which the Opposition is directed:

• The Applicant's Electric cigarettes [electronic cigarettes]; and Electronic cigarettes are identical to the Opponent's Electronic cigarettes. The remaining

goods in respect of which the Applicant has applied for its mark are similar to the Opponent's goods to a medium-high degree.

• The level of conceptual similarity between the respective marks is at least medium.

• The common element 'VINTAGE' conveys the same meaning in each mark.

• The respective marks will, in many cases, be articulated merely as 'VINTAGE', without the accompanying elements.

• The 'E-LIQUID' element in the Applicant's mark will simply be understood as a reference to the product to which the word 'VINTAGE' is predicated. The 'BY STARBUZZ' element in the Opponent's mark would be perceived as an indication that 'STARBUZZ' is the overarching brand of which 'VINTAGE' is a sub-brand.

• In Whyte and Mackay [citation omitted] it was held that where an average consumer perceives that a composite mark consists of two or more elements, one of which has a distinctive significance independent of the mark as a whole, confusion may occur as a result of the similarity/identity of that element to the earlier mark. In the instant case, 'VINTAGE' has retained its independent distinctive role leading the average consumer to presume that the respective marks belong to related brands.

• In my view, the culmination of these factors will result in the average consumer discerning the visual differences between the respective marks but concluding that the marks relate to economically-linked undertakings.

• I find that this is the case in respect of all of the Applicant's goods and services, even though the goods and services will be purchased with at least an above average level of care."

10. Accordingly, he upheld the opposition.

THE APPEAL

11. The appellant criticises the decision on two bases which can be summarised as follows, reversing the order in which they were presented in the skeleton and oral argument (which took place remotely) since the second point seemed to me to be the more substantial.

(i) Indirect confusion

12. First, it was said that having found that there was no likelihood of direct confusion, the hearing officer ought to have held that there was also no likelihood of indirect confusion. The nub of the point advanced was that it was the term STARBUZZ which

made the opponent's mark strikingly distinctive for the purpose of evaluating whether there was indirect confusion and for indirect confusion to arise, the mark applied for would have to include an element the same as or very similar to that element.

(ii) Mark as a whole

13. Second, it was said that the hearing officer failed to give adequate attention to the marks as a whole, which led him to give undue weight to the common VINTAGE element but insufficient weight to the fact that at least in the opponent's mark the VINTAGE element was a sub-element with STARBUZZ being a much more distinctive and dominant feature.

14. The appellant's submissions were commendably focussed and concise. The respondent opponent was not represented on the appeal and did not provide any written submissions.

Approach to appeal

15. As Arnold LJ sitting in the Court of Appeal said in a recent judgment concerning an allegation of indirect confusion *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207 (05 August 2021, "*Sazerac"*) at [27], which was published after the decision in the present case and to which the hearing officer could not therefore have referred

> "27. Since the judge's conclusion that there was a likelihood of indirect confusion was a multi-factorial evaluation this Court can only intervene if he erred in law or in principle" (citing *Actavis Group PTC EHF v ICOS Corp* [2019] UKSC 15, [2019] Bus LR 1318 at [78]-[81])

A similar approach applies to appeals to the Appointed Person. I will deal with the two grounds in turn.

(i) Indirect confusion

Principles

16. In *Sazerac,* the Court of Appeal summarised the principles relevant to assessment of likelihood of confusion which are especially relevant to indirect confusion, as follows:

"9. … As Kitchin LJ (with whom Sir John Thomas PQBD and Black LJ agreed) put it in *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24, [2012] FSR 19 at [87]:

> "In my judgment the general position is now clear. In assessing the likelihood of confusion arising from the use of a sign the court must consider the matter from the perspective of the average consumer of the goods or services in question and must take into account all the circumstances of that use that are likely to operate in that average consumer's mind in considering the sign and the impression it is likely to make on him. The sign is not to be considered stripped of its context."

10. It is well established that there are two main kinds of confusion which trade mark law aims to protect a trade mark proprietor against (see in particular Case C-251/95 *Sabel BV v Puma AG* [1997] ECR I-6191 at [16]). The first, often described as "direct confusion", is where consumers mistake the sign complained of for the trade mark. The second, often described as "indirect confusion", is where the consumers do not mistake the sign for the trade mark, but believe that goods or services denoted by the sign come from the same undertaking as goods or services denoted by the trade mark or from an undertaking which is economically linked to the undertaking responsible for goods or services denoted by the trade mark.

11. In *LA Sugar Ltd v Back Beat Inc* (O/375/10) Iain Purvis KC sitting as the Appointed Person said:

> "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'.
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> 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)."

12. This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition. For example, one category of indirect confusion which is not mentioned is where the sign complained of incorporates the trade mark (or a similar sign) in such a way as to lead consumers to believe that the goods or services have been co-branded and thus that there is an economic link between the proprietor of the sign and the proprietor of the trade mark (such as through merger, acquisition or licensing).

13. As James Mellor QC sitting as the Appointed Person pointed out in *Cheeky Italian Ltd v Sutaria* (O/219/16) at [16] "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Mr Mellor went on to say that, if there is no likelihood of direct confusion, "one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion". I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion.

14. "Likelihood of confusion" usually refers to the situations described in paragraph 10 above. As this Court held in *Comic Enterprises*, however, it also embraces situations where consumers believe that goods or services denoted by the trade mark come from the same undertaking as goods or services denoted by the sign or an economically-linked undertaking (sometimes referred to as "wrong way round confusion")."

17. The question is therefore whether the hearing officer erred in his approach, having regard to these principles in such a way that entitles this tribunal to interfere with his decision. In my view, he did not.

18. Although the case law establishes that it is necessary to exercise caution before making a finding that, notwithstanding that direct confusion is unlikely, indirect confusion is likely, the hearing officer in this case had a proper basis for concluding that there was a likelihood of indirect confusion. In particular, the findings he made at para. [80] of the decision set out above form a proper basis for such a conclusion. I should say that there is no general rule (whether derivable from *Whyte and Mackay* or otherwise) that where an average consumer perceives that a composite mark consists of two or more

elements, one of which has a distinctive significance independent of the mark as a whole, confusion precluding registration of a later mark will necessarily occur. It may, in some circumstances, and may not in others. However, I think that the hearing officer was entitled to give significant weight to the fact that the VINTAGE element was the initial and more dominant element in both marks and in particular that it was presented in both marks as having brand significance.

19. The appellant's strongest argument to the contrary is that, in opponent's mark, the STARBUZZ element (by which I include the composite BY STARBUZZ) could be regarded as being presented as the "lead" brand, with VINTAGE appearing as a sub-brand or possibly appearing to some as some kind of description of the product in question. However, I am not persuaded that this is sufficient to conclude that the hearing officer made an error which entitles this tribunal to interfere with his assessment that there was a sufficient likelihood of confusion to preclude registration of the applicant's mark.

20. In particular, it is reasonable to think that a consumer of products of this kind, having encountered the mark VINTAGE BY STARBUZZ, would see the applicant's mark VINTAGE E-LIQUID as being essentially for the brand VINTAGE alone, given the descriptive elements of the rest of the mark. Although it is likely that there would be a greater risk of indirect confusion had the STARBUZZ element been common to the marks on the footing that this would have been particularly striking, I am not persuaded that the fact that it is the VINTAGE element which makes this kind of confusion sufficiently unlikely.

21. There is some substance in the point that at least some consumers would think of the STARBUZZ element as identifying the manufacturer and would therefore treat the dominant brand of the opponent's mark as being VINTAGE alone. This is supported by some of the evidence in "RAC6" to the Statement of Rosemary Cardes, which shows the word VINTAGE featuring as the prominent brand with BY STARBUZZ in much smaller writing in a different font beneath. That, it seems to me, is one of the kinds of normal and fair use of the opponent's mark, by reference to which a risk of confusion must be evaluated. If the applicant were also to use the mark VINTAGE E-LIQUID in a similar way (with E-LIQUID beneath VINTAGE in a smaller script), the risk of

confusion would increase. For the purpose of determining this opposition, the hearing officer was bound to consider the various ways in which the respective marks might reasonably be used, including those which would accentuate the brand nature of the term VINTAGE and the commonality of that element between the respective marks.

22. In reaching that conclusion, I have also had regard to the point that the term VINTAGE can have greater or lesser distinctive significance depending on the goods for which it is used. For wines and cars, it is normally descriptive and the fact of commonality of that element in that context would not be likely to cause indirect confusion. However, I am not persuaded that this is the case with respect to VINTAGE used in respect of the specific goods for which the marks are respectively proposed to be and are registered and there was no evidence that the term VINTAGE was common to the trade for these goods, even if common as a description for many others.

(ii) Mark as a whole

23. In my view, the hearing officer also did not err in his evaluation of the marks as a whole.

24. In cases of this kind where the allegation of likelihood of confusion is based on the fact that the marks contain an identical word, it is often necessary to consider the extent to which the term in question would be considered in isolation and that involves an element of dissection of the respective marks. That is so in this case. It is true, as the appellant submits, that the visual element is likely to be dominant (as the hearing officer found) but that does not seem to me to undermine his approach to this issue. However, as noted above, it is not necessarily the case that the visual elements of either mark would be presented in the same way (and the evidence shows that in the case of the respondent's mark, they may be presented differently). In such a situation, I do not think the hearing officer can be criticised for focussing more attention on the common element.

25. Although not the subject of a respondents' notice, I am less persuaded that the hearing officer was right to rule out the possibility of direct confusion, at least in certain circumstances of sale, but even assuming that he was, I do not think that his approach to evaluation of the marks can be criticised on the basis that it improperly dissected either of them and failed to evaluate their similarities and differences as a whole.

Indeed, in the paragraphs I have quoted (and those which they summarise preceding them) the hearing officer has done that.

CONCLUSION

26. For the foregoing reasons, the appeal must be dismissed.

COSTS

27. The respondent did not attend and submitted no skeleton or other argument not did it claim costs. While it may have incurred some costs in considering the grounds of appeal and possibly the commendably brief skeleton argument filed by the appellant, I do not consider that these will have been significant. In those circumstances, I make only a nominal award of costs of £100 in respect of considering this appeal to be added to the sum of £600 which the hearing offer ordered to be paid to the opponent as a contribution to its costs. This makes a total of £700 to be paid within 21 days.

DANIEL ALEXANDER KC
APPOINTED PERSON

3 October 2022

Representation

J A Lamb of Lamb and Co for the Appellant
The Respondent was not represented