

**TRADE MARKS ACT 1994**  
**IN THE MATTER OF**  
**TRADE MARK APPLICATION NO. 3611893**  
**BY YES SOCIETY LIMITED**  
**TO REGISTER A SERIES OF FOUR TRADE MARKS**



**IN CLASS 41**

**AND**

**OPPOSITION THERETO**  
**UNDER NO. 425456**  
**BY THE VETERANS' FOUNDATION**

## Background and pleadings

1. On 17 March 2021, YES Society Limited (“the applicant”) applied to register the trade marks shown on the cover page of this decision (“contested marks”).
2. The application was published for opposition purposes on 14 May 2021 for the following services:

Class 41 Lotteries (Conducting -); Lottery services; Lotteries (Operating).

3. The Veterans' Foundation (“the opponent”) filed a notice of opposition on 9 July 2021. The opposition is based upon sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and directed against all the services in the application. For its claims under section 5(2)(b), the opponent relies upon all the services covered by the following United Kingdom (“UK”) registration:



UK registration no. 3606403

Filing date: 8 March 2021

Registration date: 16 July 2021

Services:

Class 35 Advertising services; marketing services; arranging subscriptions in relation to lotteries; promotional services; public relations services.

Class 41 Lottery services; gaming and gambling services; interactive lottery, gambling and gaming services; providing information in the field of education; providing online electronic publications, not downloadable; providing information regarding the activities of charities.

4. Given its filing date, the above mark is an earlier trade mark in accordance with section 6 of the Act. As the earlier mark has not been registered for five years or more at the filing date of the contested marks, it is not subject to proof of use provisions.

5. The opponent claims that the services in the application are identical to the services covered by the earlier mark and that the marks are highly similar. As a consequence, the opponent claims that there is a likelihood of confusion including a likelihood of association under section 5(2)(b).
6. Under section 5(4)(a), the opponent claims goodwill in the sign VETERANS' LOTTERY. The opponent further claims that it first used the sign as early as July 2016 throughout the UK in relation to arranging subscriptions in relation to "lotteries, lottery services, gaming and gambling services, interactive lottery, gambling and gaming services". Consequently, the opponent submits that it is entitled to prevent the use of the contested marks under the law of passing off.
7. The applicant filed a counterstatement denying the grounds of opposition. As these are the only submissions from the applicant, they are reproduced in full below:

"We disagree that our 'Veterans Lotto' trade mark application is either identical or similar to any earlier trade mark, but we agree that it is to be registered for identical and/or similar goods and services. We also disagree that the use of our unique 'Veterans Lotto' trade mark would be contrary to law, in particular, the law of passing off.

YES Society registered Veterans Lotto at Companies House on 17 December 2020. No other UK company has a trading name or promotes a lottery within the veteran's community with a brand or logo that is visibly or phonetically similar, and it is in our interest to make certain that this does not occur. We are not guilty of passing off or misleading.

The Veterans Foundation oppose our application even though they do not themselves promote a lotto nor are we aware that they have even used the words 'Veterans Lotto' sequentially at any time prior to our application. They certainly do not possess, nor have they ever possessed a logo incorporating the words 'Veterans Lotto'.

YES Society respectfully rejects any allegations or suggestions that their unique Veterans Lotto would confuse the public when displayed on an existing or separate website with the veterans community.

All of the YES Society brands are currently benefit linked therefore no participant can be disadvantaged.”

8. The opponent is represented by HGF Limited and the applicant is unrepresented. Only the opponent filed evidence and written submissions. A hearing was held on 6 July 2022. Ms Rigel Moss McGrath, of HGF Ltd, appeared for the opponent. The applicant chose not to attend the hearing.
9. Although the UK has left the European Union (“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 comes in the form of a witness statement of Major David Shaw dated 18 November 2021 together with 12 exhibits, a witness statement of Mr Ian Caws dated 19 November 2021, a witness statement of Mr Jim Wilson dated 19 November 2021 and a witness statement of Ms Rigel Moss McGrath dated 21 November 2021 together with 3 exhibits. I have taken all of the evidence into consideration and will refer to it where necessary.

## **Section 5(2)(b)**

11. 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”.

## Case law

12. The following principles are gleaned from the judgments of the EU courts 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 C3/03, *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.

The principles:

(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 the 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 to mind the earlier mark, 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of services**

13. When making the comparison, all relevant factors relating to the services in the specifications should be taken into account. In *Canon*, the Court of Justice of the European Union (“CJEU”) stated at paragraph 23 of its judgment:

“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”.

14. In *Gérard Meric v OHIM*, the General Court (“GC”) held that services can be considered as identical when the services designated by the earlier mark are included in a more general category, designated by the trade mark application - and vice versa.<sup>1</sup>

15. The conflicting services are as follows:

Applicant’s services	Opponent’s services
Class 41 Lotteries (Conducting -); Lottery services; Lotteries (Operating -).	Class 41 Lottery services; gaming and gambling services; interactive lottery, gambling and gaming services; providing information in the field of education; providing online electronic publications, not downloadable; providing information regarding the activities of charities.

16. The applicant concedes that the services are either identical or similar. I find that the services are identical. The opponent’s lottery services are either identically contained in the applicant’s specification or identical under the *Meric* principle to lotteries (conducting -) and lotteries (operating -) covered by the applicant’s specification.

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<sup>1</sup> case T-133/05

## **The average consumer and the nature of the purchasing act**

17. It is necessary for me to determine who the average consumer is for the respective parties' services.

18. 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:

“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”.

19. Ms McGrath, at the hearing, submitted that the average consumer of the respective parties' services would be a member of the general public. I agree. The services are likely to be chosen further to advertisements on social media or printed materials, for example. I do not discount the possibility of an aural element, particularly when the services are selected further to a word-of-mouth recommendation. The cost of purchasing a lottery is relatively low. During the selection process, the consumers are likely to pay attention to various factors, such as charitable organisations that run the lottery services and the beneficiaries. These factors suggest that the consumers are likely to pay a medium degree of attention during the selection process.

## **Comparison of marks**

20. It is clear from *Sabel BV v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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.”

21. It would be wrong, therefore, artificially to dissect the trade marks, 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.

22. The trade marks to be compared are as follows:

Contested trade marks	Opponent's trade mark
	

23. The contested marks comprise a series of four trade marks. Other than the fact that the marks forming the series are presented in different colours, there is no material difference between the four marks. Therefore, I will consider the marks together for the purpose of comparison. The contested marks consist of the words 'Veterans Lotto' presented in sentence case, with one word placed above the other. A device of several shapes resembling a heart and a dot above that

heart are presented on the words' left side. The overall impression of the contested marks are dominated by the words "Veterans Lotto"; the device plays a lesser role. The colours play a weaker role in the overall impression of the marks.

24. The opponent's mark comprises the words VETERANS LOTTERY presented in capital letters in blue and yellow, one word placed above the other. On the left side of the words is a stylised Union flag. The overall impression opponent's mark is dominated by the words. The flag plays a lesser role, and the colours play a much lesser role in the overall impression.

25. Visually, the word veterans is present as the first word of both marks. The marks also share the first three letters of the second word. There is also a certain degree of visual similarity arising from the presentation of one word above the other and the blue and red colours used to represent the word veterans and the device. One of the marks in the applicant's series is also presented on white background similar to the opponent's mark. In terms of differences, the applicant's mark ends with the letter "o" while the opponent's mark ends with the letters "ERY". The device in the respective marks is also different. Considering all these factors and particularly bearing in mind my assessment of the overall impression of the marks, I find that the marks are similar to a medium degree.

26. Aurally, the respective marks contain the identical word veterans, which are pronounced conventionally. The only aural difference between the marks is introduced by the words - lotto and lottery. However, those words coincide in the pronunciation of the first three letters – "lott". The device in the marks would not be pronounced. Considering these factors, I find that the marks are aurally similar to a high degree.

27. In a conceptual comparison, Ms McGrath referred to the dictionary definition and submitted that the word "lotto" means "a lottery".<sup>2</sup> She, therefore, argued that the marks are conceptually similar to a high degree as the conceptual

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<sup>2</sup> Exhibit RKM3

difference is introduced only by the device elements in the respective marks. I agree. Conceptually, the words veterans lotto and veterans lottery convey the identical concept of a lottery run for veterans. The device in the applicant's mark is unlikely to convey any conceptual message. The flag in the opponent's mark is likely to indicate that the lottery is to help UK's veterans. Accordingly, I find that the marks are conceptually similar to a high degree.

### **Distinctiveness of the earlier mark**

28. The distinctive character of the earlier mark must be considered. The more distinctive it is, either inherently or through use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). 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).”

29. The words “veterans lottery” in the opponent’s mark would be understood as a lottery to support veterans.<sup>3</sup> The opponent’s mark also contains a stylised device of a furling flag which is likely to invoke the notion that the lottery benefits UK’s veterans. The services covered by the mark are lottery services. A registered trade mark should be assumed to have at least some degree of distinctive character.<sup>4</sup> Bearing in mind the meaning the mark will convey in respect of lottery services, I find that the mark possesses only a low degree of inherent distinctive character.

30. The opponent’s evidence of use can be summarised as follows:

- The opponent is a registered charity in England, Wales and Scotland and started operating in July 2016.<sup>5</sup> The opponent “works to provide a better life for serving veteran members of the British armed force’s community, qualified seafarers, and their dependants, who are in need.”<sup>6</sup>
- The opponent uses the funds raised under the mark to award grants to small and medium sized charities and charitable organisations across the UK who directly help the beneficiaries.<sup>7</sup>
- The mark was launched in 2016 with a performance of a film projected on to the White Cliffs of Dover. An extract from the YouTube video is given below:

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<sup>3</sup> Witness statement of Major Shaw, para 2.

<sup>4</sup> *Formula One Licensing BV v OHIM*, Case C-196/11P

<sup>5</sup> *Ibid*

<sup>6</sup> *Ibid*, para 3.

<sup>7</sup> *Ibid*



- Its launch was also covered by media such as BBC, The Guardian online and Kent online.<sup>8</sup>
- The following table provides the number of subscribers and the regional breakdown of players of the opponent's lottery:<sup>9</sup>

Year 2016/2017	3,000 subscribers
Year 2017/2018	17,000 subscribers
Year 2018/2019	28,000 subscribers
Year 2019/2020	45,000 subscribers
Year 2020/2021 (To February)	59,000 subscribers

Country	No. of players
England	112,297
Guernsey	15
Isle of Man	36
Jersey	14
Northern Ireland	2,427
Scotland	9,771
Wales	1,140

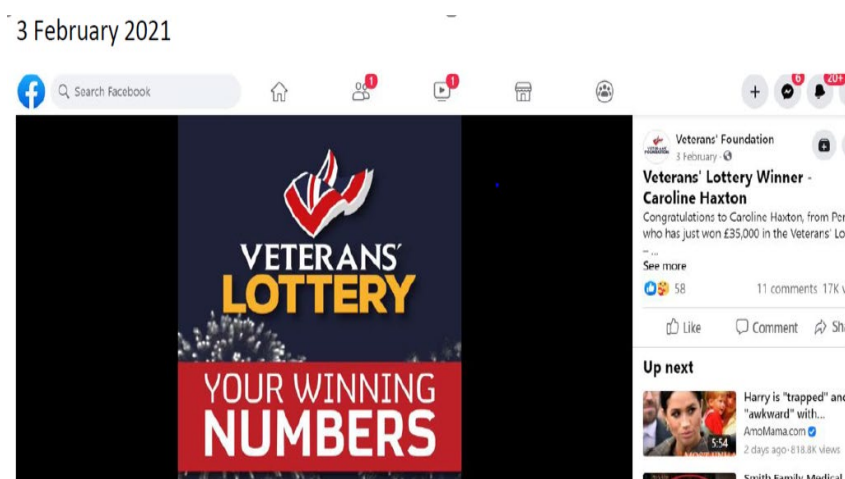
<sup>8</sup> Exhibit DS3.

<sup>9</sup> Witness Statement of Major Shaw, paragraphs 8 and 9.

- The mark is promoted on social media, such as Facebook and YouTube. Major Shaw states that the Facebook marketing expenditure had a direct impact on the number of new subscribers. In order to substantiate the point, Major Shaw provides the following figures:

Year 2020 Month	VETERANS' LOTTERY Facebook Marketing Spend Increase/Decrease	Increase in numbers of VETERANS' LOTTERY Subscribers
August	Decrease	Increase of 1300 subscribers
September	No change	Increase of 700 subscribers
October	Increase	Increase of 2,100 subscribers
November	Increase	Increase of 4,600 subscribers
December	Decrease	Increase of 1,200 subscribers


- Major Shaw states that more than 35 short films have been made available on YouTube and Facebook over the last 3 years to promote the sign. Following is a screengrab of a promotional video:<sup>10</sup>



That concludes the summary of evidence so far as I consider necessary.

31. The opponent's evidence concerns the use of the sign VETERANS' LOTTERY (solus) or with a Union flag above the words. The GC has confirmed that where variations of the mark are concerned, the requirements for establishing genuine use are analogous to those regarding the acquisition of distinctive character for

<sup>10</sup> Witness Statement of Major Shaw, para 17.

registration.<sup>11</sup> I see no reason why the requirements for enhanced distinctive character after registration would be any different. In my view, the use of the signs VETERANS' LOTTERY and  can be considered as a variant of the opponent's figurative mark and its use may be taken into account in the assessment of enhanced distinctiveness of the figurative mark.

32. The evidence shows that the opponent has used the sign VETERANS' LOTTERY since 2016. The use shown has been consistent since its launch. There has been an increase from 3,000 to 59,000 subscribers over the last 5 years. Ms McGrath confirmed at the hearing that the subscribers referred to in Major Shaw's witness statement are the UK subscribers. The players of the opponent's lottery are based across the whole of the UK. Since its launch, the opponent has given approximately £6 million to around 247 charities and charitable organisations in more than 400 grants.<sup>12</sup> The recipients include charitable organisations such as Invictus Games, Veterans Scotland and The Poppy Factory, who have specifically endorsed the opponent's fundraising activities under the sign VETERANS' LOTTERY.<sup>13</sup> There is also evidence of the use of the mark on social media. The extent of Facebook advertising which is the opponent's primary method of advertising appears to be substantial, particularly considering Major Shaw's evidence that the opponent's Facebook adverts are directed to UK-based users. According to Major Shaw, there have been 181,522,357 VETERANS' LOTTERY Facebook ad impressions. Major Shaw explains that ad impressions are a measurement of the number of times the adverts have been served to the audience. In this regard, I also take note of the fact that the opponent experienced an increase in the number of subscribers with an increase in its marketing efforts on Facebook. Considering all these factors, I find that the distinctive character of the mark has been enhanced to a medium degree.

### **Likelihood of confusion**

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<sup>11</sup> *adidas AG v EUIPO*, T-307/17, EU:T:2019:427 at [58].

<sup>12</sup> Major Shaw's witness statement, para 10.

<sup>13</sup> *Ibid*, para 20.

33. The applicant submits that the opponent does not “possess nor have they ever possessed a logo incorporating the words Veterans Lotto”. While I agree with the applicant that the opponent’s mark does not contain the word Lotto, a likelihood of confusion can still be found where the marks are similar.
34. In the notional assessment I undertake to determine whether there is a likelihood of confusion, the extent of similarity between the marks is one of the several factors I need to bear in mind. The other factors include the interdependency principle, i.e. a greater degree of similarity between the respective services may be offset by a lesser degree of similarity between the trade marks, and vice versa (*Canon* at [17]). It is also necessary for me to bear in mind the distinctive character of the opponent’s trade mark, as the more distinctive the trade mark is, the greater the likelihood of confusion (*Sabel* at [24]). I must also keep in mind the average consumer for the services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks, relying instead upon the imperfect picture of them they have retained in mind (*Lloyd Schuhfabrik* at [26]).
35. Confusion can be direct (which occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks/services down to the responsible undertaking being the same or related).
36. The difference between direct and indirect confusion was explained in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, by Iain Purvis Q.C., sitting as the Appointed Person, where he 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”).

They are only examples, and every such case must be decided on its merits.

37. Earlier in this decision, I concluded:

- That the contested services are identical;
- That the services will be selected primarily by visual means, with a medium degree of attention paid by the general public;

- That the marks are visually similar to a medium degree, and aurally and conceptually similar to a high degree;
- That the opponent's mark is inherently distinctive to a low degree and the distinctiveness has been enhanced to a medium degree.

38. Considering these factors, I find that there is a likelihood of direct confusion. In imperfect recollection, the average consumer is likely to misremember the less dominant elements such as the device and the colours. In relation to the word elements, both marks begin with the same first word VETERANS, which is followed by the conceptually identical words - lotto and lottery. A consumer who rarely gets a chance to compare the marks side-by-side is likely to imperfectly recall the conceptually identical words, lotto for lottery and vice versa, and mistake one mark for the other. If I am wrong about direct confusion, I find that there is a likelihood of indirect confusion. Despite the fact that the earlier mark is inherently distinctive only to a low degree and the distinctiveness has been enhanced to a medium degree through use, the points of difference between the marks are insufficient to counteract the effect of similarities on the average consumer. Even if the consumer recalls the difference, the identity of the services and the extent of similarity arising from the words is such that the consumer is likely to think that there is an economic connection between the undertakings, or the applicant marks are a variant of the opponent's mark.

39. The opposition, therefore, succeeds under section 5(2)(b).

#### **Section 5(4)(a)**

40. Section 5(4)(a) of the Act reads as follows:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

b) ...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark”.

41. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark ...”

42. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

43. There is no evidence that the contested marks were used in the UK prior to the date of application. That being the case, the matter must be assessed as at the application date of the contested marks (17 March 2021).

## Goodwill

44. The opponent claims goodwill in the sign VETERANS' LOTTERY. The goodwill depends on the existence of customers in the UK for the services at the relevant date.<sup>14</sup>
45. Following my findings noted at paragraph 32, I am prepared to accept that the opponent has a protectable goodwill in the UK under the sign VETERANS' LOTTERY for lottery and gambling services.

## Misrepresentation and damage

46. *Halsbury's Laws of England* Vol. 97A (2012 reissue) provides guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

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<sup>14</sup> Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others, [2015] UKSC 31

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

47. The contested mark and the sign in which the opponent has an earlier right are shown below.

Contested marks	Earlier right
	<p>VETERANS' LOTTERY</p>

48. Visually, both marks begin with the word veterans. They also share the first three letters of the second word. In terms of difference, the contested marks are presented in colours and contain a device. The earlier right contains a possessive apostrophe. Considering these factors, I find that the contested marks are visually similar to a degree that is between medium and high.
49. Although the earlier right is presented in a possessive form, it is pronounced identically as the contested marks. Therefore, I adopt my findings noted at paragraph 26 on the aural similarity between the marks. The contested marks are aurally similar to a high degree to the earlier right.
50. Given the conceptual identity between the words - lotto and lottery, I find that the marks are conceptually similar to a high degree.
51. At paragraphs 17-19, I considered the relevant public, their likely level of attention during the selection process, and the way the services would be selected. I adopt those findings for the purposes of this assessment.
52. I have also found that the services for which the opponent has shown goodwill are identical to the services covered by the application.
53. The question of whether the use of the contested marks would amount to a misrepresentation, therefore, depends on an overall assessment of all relevant factors. No one such factor automatically trumps the others. It is also necessary to keep in mind that passing off does not require deception amongst all, or even a majority, of the opponent's VETERANS' LOTTERY customers. It is sufficient if a substantial number are deceived.
54. Considering the extent of similarity between the marks that arise from the shared words and the goodwill the opponent has demonstrated in the sign, I find it likely that the use of the contested marks will confuse and deceive a substantial number of the opponent's customers or potential customers if the contested marks are used in relation to identical services. The consumers are likely to mistake the contested marks for the earlier right or think that there is an economic connection between the undertakings.

55. I must now go on to consider if the opponent has suffered, or is likely to suffer, damage as a result of this misrepresentation. Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 HL, stated that the opponent must show that “he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill”.

56. In *Draper v Trist and Trisbestos Brake Linings Ltd* 56 RPC 429 Goddard L.J. stated:

“But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man’s business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage.”

57. Ms McGrath submitted that misrepresentation caused by the similarity could result in damage in a number of ways. This includes the diversion of funds from one charity to another. Ms McGrath also submitted that the damage could also be caused to the consumers’ confidence as they have a right to be sure and have confidence in which lottery they are playing and which charities that particular lottery is supporting. I agree. The level of confusion will be sufficient to damage the opponent’s goodwill, particularly through the diversion of income and donations. It follows that the use of the contested marks in relation to the services covered by its specification would amount to passing off.

58. The opposition, therefore, succeeds under section 5(4)(a).

## **Conclusion**

59. The opponent is successful. The application may be refused.

## **Costs**

60. At the hearing, Ms McGrath requested that the opponent be granted permission to make cost submissions after a substantive decision has been issued. Accordingly, **I direct that the opponent file written submissions on costs within 14 days of the date of this decision.** I will then assess the costs I consider to be reasonable and issue a supplementary costs decision. Once the costs have been decided, I will set an appeal deadline.

**Dated this 25<sup>th</sup> August 2022**

**Karol Thomas  
For the Registrar  
The Comptroller-General**