

July 19 2017

In the unprecedented case of *Cosmetic Warriors Limited v Trang Diem Tran* (Case 91214890, June 2 2017), the Trademark Trial and Appeal Board (TTAB) dismissed an opposition filed by Cosmetic Warriors against the mark LUSH VAPOR owned by Tang Diem Tran for liquid e-cigarette flavourings, finding that the mark was unlikely to cause confusion with Cosmetic Warriors' registered mark LUSH for perfumes, cosmetics and toiletry products, and related services. The TTAB found that the unrelatedness of the parties' goods outweighed the other *du Pont* factors, including the similarity of the marks and the strength of the opposer's mark, and obviated a likelihood of confusion.

The applicant filed to register LUSH VAPOR for "chemical flavorings in liquid form used to refill electronic cigarette cartridges", disclaiming the term 'vapor'. Cosmetic Warriors opposed the application and asserted that LUSH VAPOR was confusingly similar to its seven registered LUSH marks (six standard character, one word-and-design) for perfumes, cosmetics, toiletries, retail store services and salon services. Cosmetic Warriors also claimed common law rights in the LUSH mark as used on incense and candles.

Despite Cosmetic Warriors' arguments, the TTAB found that the applicant's liquid e-cigarette flavourings were unrelated to Cosmetic Warriors' beauty and bath goods. First, the TTAB rejected the opposer's contention that the goods were related because they contained common ingredients. The TTAB reasoned that because the common ingredients – two chemicals serving as a liquid base for the goods – were not promoted or recognised as the primary beneficial or desirable ingredients in the products, consumers were unlikely to be aware of them or to consider them in their purchases. Without such awareness or consideration of the common ingredients, consumers would not think that the goods emanated from the same source.

Following the same line of reasoning, the TTAB rejected Cosmetic Warriors' argument that the goods were related because both parties sold liquid products designed to be used with atomisers. Noting the differences in the types of atomiser used in fragrances and e-cigarettes, and the fact that consumers are probably unaware that atomisers are components of e-cigarettes, the TTAB found that the common use of atomisers in the parties' goods did not establish that such goods were related in the minds of the purchasing public.

The TTAB also rejected Cosmetic Warriors' arguments that the goods were related because they used similar packaging and product names. Cosmetic Warriors did not claim trade dress in its packaging or trademark rights in its product names. Rather, the Notice of Opposition was predicated solely on its pleaded LUSH marks. Emphasising that the likelihood of confusion analysis should be focused on the goods as identified in the applications and registrations, and not on the extrinsic evidence of actual use, the TTAB found that the similarities in packaging and product names did not enhance the relatedness of the parties' goods.

Cosmetic Warriors also asserted that the parties' goods, specifically its candles and incense and the applicant's smoking products, were related because they were often used in conjunction with one another. However, the TTAB dismissed that assertion because it was unsupported by common knowledge or persuasive testimony or evidence.

Finally, Cosmetic Warriors argued that its rights and protectable interest in the LUSH mark extended not only to its cosmetics, toiletries and related goods and services, but also to e-liquid and e-cigarette goods, relying on the doctrine of natural expansion. The TTAB was again unpersuaded, finding insufficient evidence from which to infer that purchasers might reasonably expect Cosmetic Warriors to expand from its primary product lines into e-liquids and e-cigarettes.

As none of Cosmetic Warriors' arguments established that its goods were related to the applicant's goods, the TTAB found that the relatedness of goods factor weighed heavily against a likelihood of confusion. On the other hand, the TTAB found that, among other factors, the similarity of the marks and the strength of Cosmetic Warriors' mark weighed in favour of a likelihood of confusion. The TTAB found that the LUSH VAPOR and LUSH marks were similar due to the identical 'lush' element, which was found to be the dominant component of the applicant's mark. Although the disclaimed 'vapor' element in the applicant's mark, by indicating the nature of applicant's goods, somewhat mitigated the similarity between the marks, the TTAB concluded that the first *du Pont* factor favoured Cosmetic Warriors. Further, the TTAB found LUSH to be a strong mark in view of Cosmetic Warriors' extensive advertising and promotion.

With regard to channels of trade, there was no evidence that the parties' goods were ever offered in the

same retail store, mainly because Cosmetic Warriors sells its cosmetics, toiletries and related goods through its own branded LUSH retail stores. However, the TTAB noted that because the goods as identified in the subject application and the opposer's registration contain no restrictions on the trade channels, it must presume that the parties' goods move in all the usual channels of trade. The record showed that such channels could include convenience stores, pharmacies, mass merchandise stores and shopping malls. Nonetheless, the TTAB questioned whether this supported an overlap in trade channels on the grounds that the mere presence of the parties' disparate goods in large retail stores selling all types of goods did not establish an overlap of trade channels. On balance, the TTAB found that the trade channel factor was neutral.

Despite a number of factors weighing in favour of or neutral on the likelihood of confusion, due to the finding by the TTAB that the goods were so dissimilar to each other and unrelated, the TTAB ruled in favour of the application and dismissed the opposition.

Notably, less than two weeks after the TTAB decision, the parties filed a motion to request that the decision be vacated, and to dismiss the opposition as moot. In the motion, the parties noted that they had reached a settlement in which the LUSH VAPOR application was abandoned. The TTAB granted the motion, and under the settlement agreement between the parties, which was submitted with the motion, Tang Diem Tran agreed to phase out the use of its LUSH VAPOR mark by April 2018. In addition, Cosmetic Warriors had also filed a lawsuit in the Central District of California on April 28 2017 against Tang Diem Tran, alleging federal trademark infringement and unfair competition. It is suspected that the settlement agreement may have been reached as a consequence of the lawsuit.

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