

**O/126/19**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. UK00003231996 BY  
ROBERT FRANK MARCHINGTON  
TO REGISTER THE FOLLOWING MARK IN CLASS 32:**



**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 410102 BY  
MONSTER ENERGY COMPANY**

## BACKGROUND AND PLEADINGS

1. On 18 May 2017, Dr Robert Frank Marchington (“the applicant”) applied to register the mark shown on the cover page of this decision in the UK. The application was published for opposition purposes on 26 May 2017. The applicant seeks registration for the following goods:

Class 32      Beers, ales, stouts; low-alcohol beers; non-alcoholic and de-alcoholised cider, perry and beers; syrups and preparations for making any of these aforesaid; excluding energy drinks.

2. The application was opposed by Monster Energy Company (“the opponent”). The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

3. For its opposition based on section 5(2)(b) the opponent relies on the following marks:



UK Trade Mark no. 2439068

(“the First Earlier Mark”)

Filing date of 21 November 2006; registration date of 25 May 2007

Relying on all goods namely:

Class 32      Beverages.



UK Trade Mark no. 3227041

("the Second Earlier Mark")

Filing date of 25 April 2017; registration date of 14 July 2017

Relying on all goods, namely:

Class 32 Non-alcoholic beverages; beer.



EU Trade Mark no. 12924973

("the Third Earlier Mark")

Filing date of 30 May 2014; registration date of 29 October 2014

Relying on some goods, namely:

Class 32 Non-alcoholic beverages



EU Trade Mark no. 14226765

("the Fourth Earlier Mark")

Filing date of 9 June 2015; registration date of 12 April 2017

Relying on some goods, namely:

Class 32 Non-alcoholic beverages; beer.

4. Under section 5(2)(b) the opponent claims that there is a likelihood of confusion because the respective goods are identical or similar and the marks are similar.

5. For its opposition based on section 5(3) of the Act, the opponent relies on the First Earlier Mark and the Third Earlier Mark. In respect of the First Earlier Mark, the opponent claims it has a reputation for all goods for which the mark is registered and in respect of the Third Earlier Mark, the opponent claims it has a reputation in respect of the following goods:

Class 32 Non-alcoholic beverages

6. Under section 5(3) the opponent claims that the earlier marks have a reputation in respect of all goods for which they are registered and that use of the applicant's mark would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character and/or repute of the earlier marks.

7. The opponent further relies upon section 5(4)(a) of the Act and claims that the following sign has been used in respect of beverages throughout the UK since 2008:



8. On 18 May 2018, the applicant informed the Tribunal that it wished to amend its specification to the following:

Class 32 Beers, ales, stouts; low-alcohol beers; non-alcoholic and de-alcoholised cider, perry and beers; syrups and preparations for making any of these aforesaid; excluding energy drinks.

9. On 24 May 2018, the Tribunal wrote to the opponent to seek confirmation as to whether this amendment would allow the opposition to be withdrawn. On 7 June 2018, the opponent confirmed that it wished to proceed with the opposition notwithstanding the amendment made to the applicant's specification.

10. The applicant has filed a counterstatement denying the grounds of opposition (and requesting that the opponent provide proof of use of the First Earlier Mark).

11. The opponent is represented by Bird & Bird LLP and the applicant is unrepresented. The opponent filed evidence in the form of the witness statement of Rodney Cyril Sacks dated 2 August 2018. No evidence was filed by the applicant. No hearing was requested and both parties filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

## **EVIDENCE**

### **Opponent's Evidence**

12. As noted above, the opponent's evidence consists of the witness statement of Rodney Cyril Sacks dated 2 August 2018, with 52 exhibits. Following an application from the opponent and a subsequent Case Management Conference ("CMC") held on 19 September 2018, the Hearing Officer who conducted the CMC confirmed that Exhibit RCS-8 could remain confidential from the public as its content could be dealt with in a general way in the final decision. Following the CMC, a confidentiality order was issued on 1 October 2018, confirming that the exhibit would remain confidential from the public, but that it would be available to the applicant.

13. Exhibit RCS-8 relates to market figures for the opponent. I have taken this exhibit into consideration in reaching my decision, but I will make no detailed reference to the exhibit's content.

14. Mr Sacks is the Chairman and Chief Executive Officer of Monster Beverage Corporation and its subsidiaries, including the opponent; a position he had held since 1990. Mr Sacks states that the opponent is in the energy drinks business and, until June 2015, it also sold other beverages such as natural sodas, fruit juices, smoothies, lemonades and iced teas. In June 2015, this side of the business was transferred to a third party.

15. The opponent refers to the First Earlier Mark and the Third Earlier Mark as the "Claw Icon Marks". Mr Sacks has provided a report listing all registrations and pending registrations relating to these marks<sup>1</sup> in the UK and European Union. Mr Sacks states that since the launch of the Monster Energy drink in 2002, "each of the billions of cans of MONSTER ENERGY ® sold bears at least one of the Claw Icon Marks. Since the launch of the MONSTER ENERGY drink in Europe in January 2008, the Claw Icon Marks have been, and continue to be used extensively in the United Kingdom<sup>2</sup>".

16. The opponent has won the following awards<sup>3</sup>:

a) Beverage Company of the Year by the Beverage Forum in 2004 and 2006;

b) Large Beverage Company of the Year by the Beverage Forum in 2009;

c) Forbes' Top 200 Best Small Companies in 2000, 2004, 2005, 2006 and 2007 (being no.1 Best Small Company in 2005<sup>4</sup> and 2007 and no. 2 Best Small Company in 2006);

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<sup>1</sup> Exhibit RCS-1

<sup>2</sup> Witness Statement of Robert C. Sacks, para. 5

<sup>3</sup> Witness Statement of Robert C. Sacks, para. 7

<sup>4</sup> Exhibit RCS-2

- d) Fortune Magazine's 100 Fastest Growing Companies in 2005, 2006, 2007 and 2008 (being no. 2 Fastest Growing Company in 2006 and 2007);
  
- e) Business Week's Hot Growth Companies in 1999, 2005, 2006 and 2008 (being no. 2 Hot Growth Company in 2006 and no. 1 Hot Growth Company in 2008);
  
- f) Annual Packaging Global Design Awards in 2001 and 2002;
  
- g) Forbes' One of the Most Innovative Companies in 2014, 2015, 2016, 2017 and 2018;
  
- h) Beverage Forum's 2012 Lifetime Achievement Award, presented to Mr Sacks and the opponent's Vice Chairman and President;
  
- i) Beverage Industry's 2011 Executive of the Year Award, presented to Mr Sacks;
  
- j) Liquid Refreshment Company of the Year by Beverage World in 2012<sup>5</sup>;

17. The opponent's energy drinks have been referenced in a number of articles. An article dated 6 June 2005 on the website [www.businessweek.com](http://www.businessweek.com) stated that "sales rose by 162% last year", with sales of \$180.3million and an 18% share of the energy drinks market. An article from Forbes magazine dated 31 October 2005 confirms that Hansen Natural was ranked as number 1 small company. This appears above an image of a can showing the mark displayed below. An article dated 20 March 2006 in the magazine NEWSWEEK discussed the opponent's business and stated that revenues "jumped to \$250million in the first nine months of 2005"<sup>6</sup>. All of these articles display the following:

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<sup>5</sup> Exhibit RCS-3

<sup>6</sup> Exhibit RCS-2



18. The opponent's mark was featured in an article by Adweek considering what "famous" logos would look like if they swapped colours with their competitors<sup>7</sup>. Mr Sacks states that Adweek is "the second-largest advertising-trade publication leading source, and is available to viewers in the United Kingdom and European Union"<sup>8</sup>.

19. Mr Sacks confirms that Monster Energy drinks were launched in the US in April 2002 and sales have increased every year since. Mr Sacks states that a report provided by a third party global market measurement and data provider confirms that the opponent held a 37.6% share of the total non-alcoholic energy drink market by dollar value in the United States; with the opponent being "the fastest-growing major brand of energy drinks worldwide by unit volume"<sup>9</sup>. Mr Sacks confirms that in 2003, sales commenced outside of the US, with Monster Energy drinks being launched "in at least one of the European Union member countries in January 2008"<sup>10</sup>. Mr Sacks notes that the opponent now offers a variety of "Monster" beverage products and that each can carries at least one of the "Claw Icon Marks".

20. Mr Sacks states that since its launch in 2002, the opponent has sold more than 22 billion cans of Monster energy drinks worldwide, all of which carries at least one of the "Claw Icon Marks". Estimated retail sales of Monster energy drinks have generated approximately \$23billion in gross worldwide sales, with retail revenues of over \$40billion. Sales of energy drinks represented more than 90% of the opponent's revenue. Mr Sacks goes on to state that:

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<sup>7</sup> Exhibit RCS-4

<sup>8</sup> Witness Statement of Robert C. Sacks, para. 9

<sup>9</sup> Witness Statement of Robert C. Sacks, para. 10

<sup>10</sup> Witness Statement of Robert C. Sacks, para. 11



“14. [...] Monster’s gross sales for the year ended 31 December 2017 increased to US\$3.86 billion from US\$3.5 billion in 2016, from US\$3.11 billion in 2015, from US\$2.82 billion in 2014, from US\$2.59 billion in 2013, from US\$2.37 billion in 2012, and from US\$1.95 billion in 2011. MONSTER energy drinks have represented 90.1%, 90.1%, 92.5%, 93.9% and 93.2% of my Company’s consolidated net sales for the years ended 31 December 2017, 2016, 2015, 2014, and 2013, respectively.

15. Monster’s gross sales to customers outside the United States increased 23.6% in 2017 to \$1.098 billion, increased 24.6% in 2016 to US\$888.7 million, increased 8.4% in 2015 to US\$713.2 million, increased 13.3% in 2014 to US\$657.9 million, increased almost 13% in 2013 to almost US\$580.6 million, increased almost 35% in 2012 to almost US\$514 million, and increased more than 58% in 2011 to US\$381 million, from US\$240.6 million in 2010. Included in these figures are sales to the Company’s military customers, which are delivered in the U.S. and then transhipped to the military and its customers overseas”.

21. Mr Sacks confirms that in the EU, Monster energy drinks are sold in over 275,000 retail stores including super markets, convenience stores, takeaway outlets and fuel stations. “These retail and outlets include, but are not limited to, Tesco, Carrefour, Co-op, Spar, Autogrill, Lidl, Circle K, Auchan, BP, Shell and Sainsbury’s<sup>11</sup>”. Mr Sacks states that the “Claw Icon Marks” have become a well-known identifier of the opponent’s “high quality MONSTER energy drinks in the European Union, including the United Kingdom<sup>12</sup>”.

22. Mr Sacks states:

“19. Monster’s sales of MONSTER ® energy drinks in the United Kingdom, all of which bore the Claw Icon mark, have been: EUR€79.9 million in 2012; EUR€96.3 million in 2013; EUR€95.9 million in 2014, EUR€119.6 million in

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<sup>11</sup> Witness Statement of Robert C. Sacks, para. 16

<sup>12</sup> Witness Statement of Robert C. Sacks, para. 17

2015; EUR€124.4 million in 2016; EUR€153 million in 2017. These are sales by Monster to its distributors in the United Kingdom. Retail sales volume in the United Kingdom would be much higher. The total number of cans of MONSTER® energy drinks sold in the United Kingdom from September 2012 through June 2017 that bore the Claw Icon mark is 743.3 million cans. Monster's energy drinks bearing the Claw Icon mark are currently sold in the United Kingdom in over 50,000 retail stores and outlets and in over 7,600 pubs.

20. In the United Kingdom, in 2012 alone, Monster sold 106.8 million cans, all of which bore the Claw Icon mark; in 2013 alone, 135.5 million cans, all of which bore the Claw Icon mark; in 2014 alone, 142.7 million cans, all of which bore the Claw Icon mark; in 2015 alone, 153.9 million cans were sold, all of which bore the Claw Icon mark; in 2016 alone, 169 million cans were sold, and in 2017 alone, 224.7 million cans were sold, all of which bore the Claw Icon mark.”

23. Mr Sacks has provided a number of invoices dated between 23 October 2012 and 5 April 2017 which confirm that a total of 27,615 cans of drink to UK based customers<sup>13</sup>. Mr Sacks confirms that these cans all displayed one of the “Claw Icon marks” and the invoices all display the following mark:



24. The “Claw Icon Marks” are displayed as follows in photographs<sup>14</sup> taken in January 2015 which Mr Sacks states show the opponent's products on shelves in stores in the UK:

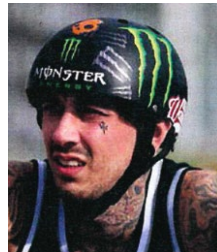
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<sup>13</sup> Exhibit RCS-5

<sup>14</sup> Exhibit RCS-6



25. Mr Sacks explains that the opponent allocates the majority of its marketing, advertising and promotional budget to athlete endorsements and sponsoring athletic competitions and other events. Sponsorship of various events means that the Claw Icon Marks are displayed at the events on banners<sup>15</sup>, posters, signs and merchandise. Mr Sacks states that this approach to advertising is more effective than more traditional advertising in reaching the opponent's target audience and conveys the brand image intended by the opponent (that MONSTER energy drinks are "edgy and aggressive"<sup>16</sup>). Various individuals and sporting teams, such as Lewis Hamilton, can be seen wearing clothing displaying the following marks<sup>17</sup>:



<sup>15</sup> Exhibit RCS-11

<sup>16</sup> Witness statement of Robert C. Sacks, para. 29

<sup>17</sup> Exhibits RCS-9, RCS-12 and RCS-13



26. The opponent sponsors more than 211 professional athletes worldwide<sup>18</sup>. Mr Sacks has provided examples of the branded items given to athletes sponsored by the opponent<sup>19</sup>:



<sup>18</sup> Witness statement of Robert C. Sacks, para. 100 and Exhibit RCS-33

<sup>19</sup> Exhibit RCS-32

27. In particular, the opponent has sponsored the Mercedes AMG Petronas formula one team, with its “Claw Icon Marks” being displayed on driver’s helmets and race suits. Formula one racing has had a global television audience of between 1.5billion and 2billion viewers between 2009 and 2015. The UK formula one race is held at Silverstone every year, with over 294,000 people attending in 2013<sup>20</sup> and 325,000 in 2017. The opponent’s marks have been displayed at the event as follows:



28. The opponent has also sponsored MotoGP, Motocross, Speedway, Superbike, Ultimate Fighting Championship, Rally, Racing and Extreme Sports events for a number of years. Their “Claw Icon Marks” have received exposure through these sponsorships<sup>21</sup>. The opponent also uses MONSTER branded apparel and merchandise for marketing purposes<sup>22</sup> and supplies promotional materials to display its products in retail outlets<sup>23</sup>. Mr Sacks confirms that since 2002, more than \$4.3billion has been spent on advertising, marketing and promoting MONSTER energy drinks around the world. In Europe, the Middle East and South Africa \$255million was spent on advertising, marketing and promotion between 1 January 2015 and 30 September 2016; more than €119.4million was spent on advertising, marketing and promotion in the European Union in 2015.

29. In addition to sponsoring professional athletes, since 2004 the opponent has maintained an amateur athlete development program called The Monster Army. Mr Sacks confirms that over 376,000 amateur athletes have applied to be accepted as

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<sup>20</sup> Exhibit RCS-14

<sup>21</sup> Exhibits RCS-18 to RCS-31

<sup>22</sup> Witness statement of Robert C. Sacks, para. 31

<sup>23</sup> Exhibit RCS-10

part of this programme, with 20,500 of those from the UK and 42,300 from the EU. He states that athletes are frequently given items of clothing embroidered with the “Claw Icon Marks”. The website for The Monster Army displays the opponent’s mark as follows<sup>24</sup>:



30. The opponent has distributed more than 22.7million samples of MONSTER energy drinks across the EU, including the UK. Mr Sachs does not provide details of what proportion of these were distributed in the UK during the relevant period. As well as being handed out at events, samples are also distributed via trucks displaying the “Claw Icon Marks”.

31. Mr Sacks states that the opponent’s marks have received exposure through sponsorship of musicians and music festivals. Mr Sacks states that the opponent has sponsored various artists and events including Monster Energy Carolina Rebellion, Rock on the Range, Kansas City Rockfest, Outbreak Tour, Warped Tour and Stagecoach. Mr Sacks states that artists drink from cans displaying the opponent’s marks and wear clothing which also displays the marks. However, no information is provided as to the location of these music festivals (other than those which have a location in their title, which appear to be based in the United States).

32. With regard to music events sponsored by the opponent in the UK and EU, Mr Sacks states that these are managed by the opponent’s teams based in the UK. He states that Radstock was an indoor music festival held in Liverpool, in which 24 bands played across 3 stages. This event was sponsored by the opponent and various acts played on the “Monster Energy stage”<sup>25</sup>, which displayed the opponent’s “Claw Icon Marks”. Mr Sachs does not confirm when this event took place or how many people attended.

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<sup>24</sup> Exhibit RCS-39

<sup>25</sup> Witness Statement of Rodney C. Sacks, para. 116

33. Mr Sacks explains that since 2008, the opponent has sponsored a team of “MONSTER Girls<sup>26</sup>”, who attend events sponsored by the opponent to entertain the crowd, hand out awards and promote the brand. Mr Sacks states that they always appear in uniforms which bear the “Claw Icon Marks”, although this is not visible from the exhibit provided<sup>27</sup>. Mr Sacks states that the MONSTER Girls first appeared at the FIM Motocross of Nations in 2008 which took place in the UK and was attended by approximately 60,000 people. Since then, they have appeared at events throughout the UK and the EU.

34. In 2010, a MONSTER Girls Poster Book (bearing the opponent’s mark<sup>28</sup>) was created. Mr Sacks states that in May 2010, 24,000 calendars were printed and distributed throughout the EU, including the UK. In 2012, the opponent ran a promotion with JD Wetherspoons which involved the MONSTER Girls Calendar (displaying the opponent’s marks<sup>29</sup>) being distributed exclusively through JD Wetherspoons’ pubs in the UK. As part of the promotion, the opponent offered the opportunity to win a party with the MONSTER Girls in Ibiza. No figures are provided as to how many of these were distributed in the UK.

35. Mr Sacks states that the MONSTER Girls have developed their own fan base, and have had their own Facebook page since 2011. Mr Sacks states that the page has more than 852,000 likes, with over 39,000 coming from individuals in the UK. He has provided a printout of the Facebook page which actually states that it has 834,100 likes and 822,473 followers<sup>30</sup>. The print out is undated save for a print date of 1 February 2017, although visible posts date back to 4 October 2016. The page displays the opponent’s mark as follows:

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<sup>26</sup> Witness Statement of Rodney C. Sacks, para. 117

<sup>27</sup> Exhibit RCS-41

<sup>28</sup> Exhibit RCS-44

<sup>29</sup> Exhibit RCS-46

<sup>30</sup> Exhibit RCS-48



36. Mr Sacks states that the opponent launched its website on 19 August 2003 and it has been available to internet users based in the European Union since that date. There is a localised section of the website for individuals based in the UK. Between 1 September 2010 and 30 September 2017, the website [www.monsterenergy.com](http://www.monsterenergy.com) received more than 36million visits, with 1.9million of those from individuals based in the UK<sup>31</sup>. The UK based pages of the opponent's website (dated 24 September 2012, 22 June 2013, 28 June 2014 and 30 November 2015) display the following marks<sup>32</sup>:



37. Mr Sacks notes that whilst the majority of the website is focused on informing users of sponsored events, the 'products' pages are also used to inform customers of the range of energy drinks. Mr Sacks explains that visitors to the website can subscribe to the opponent's newsletter, which notifies them of any significant events. The emails will often contain a video clip which displays an athlete bearing the opponent's mark. Mr Sacks states "these video clips, with the aid of the MONSTER ENERGY YouTube channel, are seen by millions of fans across the world, including the United Kingdom and European Union<sup>33</sup>".

38. Mr Sacks confirms that the opponent's Facebook page was set up on 20 April 2008 and has more than 26million likes, with over 1.1million coming from individuals residing in the UK. Its Instagram account has 4.6million followers and its Twitter account has more than 3.2million followers. It's not clear what proportion of followers for Instagram

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<sup>31</sup> Witness Statement of Rodney C. Sacks, para. 126

<sup>32</sup> Exhibit RCS-49

<sup>33</sup> Witness statement of Rodney C. Sacks, para. 128



and Twitter are based in the UK. The opponent also has other specialised accounts, such as the MONSTER ENERGY Music Facebook page and the MONSTER ENERGY Supercross Facebook page. He states “In May 2012, business news channel CNBC reported that the MONSTER ENERGY Facebook page is one of the top 10 most “liked” brands on Facebook worldwide<sup>34</sup>”.

39. Mr Sacks confirms that the opponent’s YouTube channel was launched on 22 March 2006 and has received more than 246million views worldwide, with approximately 10million of these being from individuals based in the UK. Mr Sacks has provided the following figures which show the number of “views” of the opponent’s YouTube channels between 25 August 2009 and 17 February 2016<sup>35</sup>:

Location	Views
United States	39,521,674
United Kingdom	8,095,388
Russia	7,705,639
France	7,571,345
Germany	7,423,264
Mexico	7,100,393
Canada	6,839,307
Brazil	6,579,708
Spain	5,446,896
Japan	5,144,248

40. Mr Sacks states that the Claw Icon Marks have been used on clothing since 2002 including t-shirts, hooded sweatshirts, sweat shirts, jackets, pants, bandanas, sweat bands, gloves, hats and headgear. Mr Sacks provides photographs showing the following examples of clothing bearing the opponent’s marks<sup>36</sup>:

<sup>34</sup> Witness statement of Rodney C. Sacks, para. 130

<sup>35</sup> Exhibit RCS-50

<sup>36</sup> Witness Statement of Rodney C. Sacks, para. 136



41. That concludes my summary of the evidence insofar as I consider it necessary.

### **Submissions**

42. Both parties filed written submissions in lieu of a hearing. Whilst I do not propose to summarise those here, I have taken them all into consideration and will refer to them below as appropriate. However, I note that the opponent confirmed in its written submissions that it no longer seeks to rely on the Fourth Earlier Mark for its opposition under section 5(2)(b). I will, therefore, proceed on this basis.

### **DECISION**

43. Section 5(2)(b) of the Act reads as follows:

“5(2) A trade mark shall not be registered if because –

(a)...

(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.”

44. Section 5(3) of the Act states:

“5(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

45. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, an international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b) subject to its being so registered.”

46. The opponent’s marks qualify as earlier trade marks under the above provisions. As the Second and Third Earlier Marks completed their registration process less than 5 years before the publication date of the application in issue in these proceedings,

they are not subject to proof of use pursuant to section 6A of the Act. The opponent can, therefore, rely upon all of the goods it has identified for the Second and Third Earlier Marks. As the First Earlier Mark completed its registration process more than 5 years before the publication date of the application in issue in these proceedings it is subject to proof of use (and the applicant has requested that the opponent prove use of its earlier mark). I will return to the issue of proof of use below.

47. Section 5(4)(a) of the Act states 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”.

### **Proof of Use**

48. The first issue is whether, or to what extent, the opponent has shown genuine use of the First Earlier Mark. The relevant statutory provisions are as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A- (1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

49. Section 100 of the Act is also relevant, which reads:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

50. According to section 6(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for mark. The relevant period is, therefore, 27 May 2012 to 26 May 2017.

51. What constitutes genuine use has been subject to a number of judgments. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the case law on genuine use of trade marks. He said:

“219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetzky-Orden v Bundesvereinigung Kameradschaft 'Feldmarschall Radetzky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] to [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use:

*Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not always the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

52. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real” because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark” is, therefore, not genuine use.

### **Form of the mark**

53. In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union (“the CJEU”) found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning



of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestle*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition of a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1)”. (emphasis added)

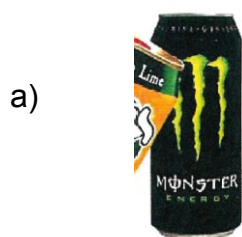
54. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was), sitting as the Appointed Person, summarised the test under section 46(2) of the Act as follows:

“33. ...The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter’s distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all.”

55. Although this case was decided before the judgment of the CJEU in *Colloseum*, it remains sound law so far as the question is whether the use of the mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

56. As noted above, the First Earlier Mark appears in varying forms in the opponent’s evidence, specifically:



c)



d)



e)



f)



g)



h)



i)



j)



k)



l)



m)



57. Variants i) and k) show the First Earlier Mark as registered, but displayed in white and green rather than black. Registration in black and white covers use of the mark in different colours. I do not consider that the use of green and white in these variants alters the distinctive character of the mark as explained in *Nirvana*.

58. Variant g) shows the First Earlier Mark as registered, although again displayed in green. In this variant, the First Earlier Mark is displayed on a shield outline. I do not consider that this additional background element alters the distinctive character of the mark and, as explained in *Colloseum*, use in combination with additional matter is use upon which the opponent may rely.

59. Variants a), b), c), d), f), h), j), l) and m) show the First Earlier Mark in varying colours and in combination with different additional wording (which either appears alongside or below the First Earlier Mark). As explained above, the use in differing colours does not alter the distinctive character of the mark (as per *Nirvana*) and use in combination with additional matter is use upon which the opponent may rely as explained in *Colloseum*.

60. Variant e) displays the First Earlier Mark (again in green) at an angle leaning to the right. The First Earlier Mark is still clearly identifiable as registered and I do not

consider that its presentation on an angle alters the distinctive character of the opponent's mark as outlined in *Nirvana*.

61. Consequently, this is all variant use upon which the opponent may rely.

### **Sufficient Use**

62. In his written submissions in lieu of a hearing, the applicant states:

“The Witness Statement of Mr Rodney Sacks, paragraph 2 states that the Opponent is in the “energy drinks” business only. Further, the proof of use evidence demonstrates the use of the previous marks in energy drinks only. The specification for the Opponent's marks are arbitrarily broad, and genuine use has only been demonstrated for the distinct, independent subcategory of energy drinks within class 32. The goods specification is for class 32 alcoholic drinks, namely types of beer, ales and stout; and low/non/reduced alcohol variants of the alcoholic drinks beer, cider and perry; which are not within the Opponent's portfolio of goods. Therefore, there is zero overlap between the goods specification of the later mark and the associated goods of the Opponent's marks.”

63. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself<sup>37</sup>.

64. As indicated in the case law cited above, use does not need to be quantitatively significant in order to be genuine. The assessment must take into account a number of factors in order to ascertain whether there has been real commercial exploitation of the mark which can be regarded as “warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark”.

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<sup>37</sup> *New Yorker SHK Jeans GmbH & Co KG v OHIM*, T-415/09

65. The First Earlier Mark is a UK registration and it is, therefore, genuine use in the UK that the opponent needs to demonstrate. Mr Sacks states that sales of MONSTER energy drinks in the UK totalled €79.9million in 2012, €96.3million in 2013, €95.9million in 2014, €119.6million in 2015, €124.4million in 2016 and €153million in 2017. 743.4million cans of MONSTER energy drinks have been sold in the UK between September 2012 and June 2017. Mr Sacks confirms that all of these bore some form of the “Claw Icon Mark”. I have reviewed Exhibit RCS-8 to Mr Sacks’ statement which provides information about market share (and which is confidential as described above). Whilst I will not make reference to the content of that exhibit, I consider the market share to be significant. Mr Sacks has confirmed that the opponent’s energy drinks are sold in over 50,000 retail outlets and 7,600 pubs in the UK. It is clear from the figures provided by Mr Sacks that the opponent has used its marks on its various social media accounts which have a large number of UK-based followers. It seems clear to me that the opponent has done more than enough to demonstrate genuine use of its mark in the UK during the relevant period.

### **Fair Specification**

66. I must now consider whether, or the extent to which, the evidence shows use for all of the goods relied upon.

67. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

68. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows:

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria’s Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 (“Asos”) at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been

used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46.”

69. Mr Sacks states that the opponent is in the energy drinks business but that until June 2015 (when that side of the business was transferred to a third party), the opponent also sold other beverages such as sodas, fruit juices and smoothies. However, there is nothing in the evidence to suggest that such beverages were sold under the First Earlier Mark or, indeed, how many were sold in the UK (if any). In my view, it is plain that the evidence does not support the claim for use in relation to all of the goods claimed in the notice of opposition.

70. “Beverages” is a very broad term which covers a whole range of drinks from alcoholic drinks to soft drinks. The opponent has shown use in relation to energy drinks only, which is a very narrow segment of the broad beverages market. I do not consider that this is sufficient to permit the opponent to rely on such a broad term. Accordingly, I consider that a fair specification for the First Earlier Mark is:

Class 32      Energy drinks.

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

71. The following principles are gleaned from the decisions 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 C-3/03, *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 a 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 great 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 goods

72. As a result of my finding at paragraph 70 above, the competing goods are as follows:

Opponent's goods	Applicant's goods
<b>The First Earlier Mark</b> <u>Class 32</u> Energy drinks.	<u>Class 32</u> Beers, ales, stouts; low-alcohol beers; non-alcoholic and de-alcoholised cider, perry and beers; syrups and preparations for making any of these aforesaid; excluding energy drinks.
<b>The Second Earlier Mark</b> <u>Class 32</u> Non-alcoholic beverages; beer.	
<b>The Third Earlier Mark</b> <u>Class 32</u> Non-alcoholic beverages.	

73. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the CJEU in *Canon*, C-39/97, the court stated at paragraph 23 of its judgment that:

“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.”

74. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in particular, whether they are or are likely to be found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance, whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

75. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut for Lernsysteme v OHIM – Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

76. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of ‘dessert sauce’ did not include jam, or because the ordinary and natural description of jam was not ‘a dessert sauce’. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

77. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as then was) stated that:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations”... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context.”

78. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the GC stated that “complementary” means:

“... there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think the responsibility for those goods lies with the same undertaking.”

79. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted, as the Appointed Person, in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense – but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“... it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

80. “Non-alcoholic and de-alcoholised cider, perry and beers” in the applicant’s specification falls within the broader category of “Non-alcoholic beverages” in the Second and Third Earlier Marks’ specifications. “Beer” in the specification of the Second Earlier Mark falls within the broader category of “Beers, ales and stouts” in the applicant’s specification. “Low-alcohol beers” in the applicant’s specification falls within the broader category of “beer” in the specification of the Second Earlier Mark. These goods can, therefore, be considered identical on the principle outlined in *Meric*.

81. “Syrups and preparations for making any of these aforesaid” in the applicant’s specification cannot be considered a finished drink product and do not, therefore, fall within any of the opponent’s specifications. They are a product used in the creation of the beverages listed in the applicant’s specification. Such goods are likely to be available from different trade channels; they will be available through specialist stores rather than general consumer retail outlets. They will have different uses, with one being for consumption and the other to produce the end product for which it is

intended. They will also have different methods of use. They will not be in competition. There may be some overlap in users on a superficial level. I recognise that there may be a degree of complementarity between the preparations used for producing the non-alcoholic beverages listed in the applicant's specification and "non-alcoholic beverages" in the specifications of the Second and Third Earlier Marks. I do not consider that the same applies to "energy drinks" in the specification of the First Earlier Mark as this is not one of the beverages covered by the applicant's specification and, therefore, not one of the beverages for which the syrups and preparations may be used. I, therefore, consider there to be no similarity with "energy drinks" in the First Earlier Mark's specification and a low degree of similarity with "non-alcoholic beverages" in the Second and Third Earlier Mark's specifications.

82. I recognise that there will be a degree of similarity between "energy drinks" in the specification of the First Earlier Mark and the applicant's non-alcoholic beverages. However, as there is identity of goods between the applicant's mark and the Second and Third Earlier Mark, I will proceed in respect of these marks only as they represent the opponent's best case.

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

83. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which these goods are likely to be selected by the average consumer. 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."

84. I have no submissions from the applicant on the nature of the average consumer or the purchasing process for the goods in issue. In its written submissions in lieu, the opponent states:

“29. As the UKIPO has recently confirmed, the level of attention displayed by consumers buying alcoholic drinks will typically be average and the level of attention for non-alcoholic drinks will be lower than average.”

85. The opponent also refers to the decisions “TIGER GIN v GARDEN TIGER (O-106-18, 15 February 2018)” and “UNLEASH THE BEAST v THIRSTBEASTS.COM (O-602-15)”. The second of these citations is incorrect, but I assume that the opponent intended to refer to decision O/602/17 dated 29 November 2017.

86. The average consumer for the goods will be a member of the general public (over the age of 18 in the case of alcoholic beverages). Alcoholic drinks are likely to be purchased less frequently than non-alcoholic drinks and are likely to be more expensive (although the cost of both will be relatively low). I agree with the opponent that an average degree of attention will be paid when purchasing alcoholic drinks. The consumer is likely to take into account various factors such as quality, alcohol content and flavour. I recognise that given the lower cost and more frequent nature of the purchase of non-alcoholic drinks that the consumer may pay a lower degree of attention when selecting these goods than when they are selecting alcoholic drinks. However, there will still be a number of considerations likely to be taken into account by the consumer such as any nutritional benefits, sugar content and flavour. I therefore consider that the level of attention paid during the purchasing process for non-alcoholic drinks will be only slightly less than the level of attention paid for alcoholic drinks.

87. The goods are, in my experience, most likely to be obtained by self-selection from the shelves of a retail outlet or from an online or catalogue equivalent. I acknowledge that verbal advice may be sought from a sales assistant or representative. Alternatively, the goods may be purchased in bars or restaurants. Whilst orders will be placed verbally in such environments, this is likely to be done following perusal of a drinks list or the products themselves behind a bar. Consequently, visual

considerations will dominate the selection process, although I do not discount that there will also be an aural component to the purchase of the goods.

### **Comparison of trade marks**




88. 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 trade marks must be assessed by reference to the overall impressions created by the trade 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.”

89. It would be wrong, therefore, to artificially 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.

90. The respective trade marks are shown below:



Opponent's trade marks	Applicant's trade mark
 <p>(the Second Earlier Mark)</p>  <p>(the Third Earlier Mark)</p>	

91. In its written submissions in lieu, the opponent states:

“23. The dominant and distinctive element of each of the marks is the letter ‘M’.

24. Visually, the Contested Mark and the Earlier Trade Marks all coincide in a highly similar device mark which looks like the letter “M”.

25. Aurally, the “M” element of all of the respective marks will be pronounced identically.

26. Conceptually, the “M” mark in each of the respective marks is identical.

27. In light of the above it is clear that the respective marks are similar.”

92. In its written submissions in lieu, the applicant states:

“The later mark is highly distinguishable from the previous marks, most notably by the later sign being clearly recognisable as two pairs of human legs; with the sign entirely consisting of legs, feet and sections of lower torso.

Contrary to the Opponent’s rationale for supposed similarity, the later mark does not consist of three vertical lines, but rather lines (“legs”) all approximately 30 degrees to the vertical, where two legs are angled positively with respect to the vertical and the other two angled negatively with respect of the vertical. To this regard, the lines are neither all vertical or parallel with respect to one another; which is a clear distinction from the previous marks.

Further highly distinguishing elements of the later mark compared to the previous marks include:

- the distribution of background (white) is very different to the previous marks and there are three not two areas of background: a large section of background in the upper centre of the sign (between the two torsos); and two sections of background between the legs in the lower section of the sign;
- the sign is geometrically triangular, consisting of two overlapped triangles (where the legs would represent the long edges of the triangles), and as such the separation between the lines (legs) is wider at the bottom of the sign than towards the top;
- the sign is split into two near equal halves, with a distinct separation between the two pairs of legs;
- the ends of the lines (legs) do not taper;
- there are four not three lines (legs) with one of the lines (legs) half obscured by one of the other overlapping lines (legs);
- the edges of the sign are all clean and smooth, with no uneven, rippled or jagged edges;
- the aspect ratio (height versus width) of the sign is near square, whereas the “claw icon” (as terms in the Witness Statement of Mr Rodney Sacks) in the previous marks are all highly rectangular; and

- the stylisation of the later mark is entirely different.

Considering the above, the later mark make is unique, clearly identifiable, highly distinguishable from the Opponent's earlier marks, and not to any degree similar."

93. In my view, it is arguable as to whether any of the marks in issue will be viewed as a letter 'M'. However, I will proceed on this basis as it represents the opponent's best case.

### Overall Impression

#### *The Applicant's Mark*

94. The applicant's mark consists of two pairs of legs which come together to form the letter 'M'. Part of one leg is obscured by the pair of legs in the foreground and there is a thin gap that separates them. The lower part of what appears to be a jacket is visible at the top of each pair of legs. The overall impression lies in the combination of these elements as a whole.

#### *The Second Earlier Mark*

95. The Second Earlier Mark consists of three parallel lines which are angled slightly to the right and which together form the letter 'M'. At the top of each line is another line which sits at a right angle to the vertical line. Each line is jagged in its appearance and tapers off to a point at the bottom. There is a three-dimensional appearance to the lines. On top of the letter 'M' appears the word HYDRO presented on a black background outlined in grey. The overall impression lies in the combination of these elements as a whole.

#### *The Third Earlier Mark*

96. The Third Earlier Mark consists of three vertical parallel lines which taper off into a point at the bottom. At the top of each vertical line is a second, shorter, line which

sits at a right angle to the vertical line. These lines come together to form the letter 'M'. Each line is jagged in its appearance. The overall impression lies in the combination of these elements.

### Visual Comparison

#### *The Applicant's Mark and the Second Earlier Mark*

97. Visually, the marks coincide in that their elements come together to form the letter 'M'. However, differences are created by the stylisation of each mark – with a jagged tapered effect used on the Second Earlier Mark and the use of two pairs of legs to create the letter 'M' in the applicant's mark. The lines in the Second Earlier Mark are parallel to each other, whereas they are angled in the applicant's mark. The Second Earlier Mark as a whole is angled to the right, whereas the applicant's mark is not. These are clear points of visual difference between the marks. A further point of visual difference is created by the addition of the word HYDRO to the Second Earlier Mark which has no counterpart in the applicant's mark. I consider the marks to be visually similar to a very low degree.

#### *The Applicant's Mark and the Third Earlier Mark*

98. Visually, again, the marks coincide in that their elements come together to form the letter 'M'. However, the lines in the Third Earlier Mark are parallel to each other, whereas they are angled in the applicant's mark. The applicant's mark clearly consists of two pairs of legs whereas the Third Earlier Mark has a jagged, tapered effect. These are clear points of visual difference between the marks. I consider the marks to be visually similar to a low degree.

### Aural Comparison

#### *The Applicant's Mark and the Second Earlier Mark*

99. I consider that there will be a proportion of the public who will not pronounce the 'M' element of either mark. The applicant's mark, if it is pronounced at all, will be

pronounced in the same way as the letter 'M'. Similarly, the Second Earlier Mark will also be pronounced as the letter 'M', if pronounced at all. The word HYDRO in the Second Earlier Mark will be given its ordinary English pronunciation. It has no counterpart in the applicant's mark. If only the HYDRO element of the Second Earlier Mark is pronounced and the applicant's mark is not pronounced at all, then the marks will be aurally dissimilar. If the 'M' element is pronounced then I consider the marks to be aurally similar to no more than a medium degree.

#### *The Applicant's Mark and the Third Earlier Mark*

100. Again, there will be a proportion of the public who do not pronounce either mark. If it is pronounced, the applicant's mark will be pronounced as described above. The Third Earlier Mark, if it is pronounced at all, will also be pronounced as the letter 'M'. If the marks are pronounced then they will be aurally identical.

#### Conceptual Comparison

#### *The Applicant's Mark and the Second Earlier Mark*

101. The presence of the letter 'M' in both marks does not convey any particular meaning. The applicant's mark conveys the impression of two pairs of marching legs. The stylisation of the Second Earlier Mark creates the impression of a scratch mark created by an animal. The word HYDRO is a prefix normally associated with the use of water. Clearly, these different elements create conceptual differences between the marks. In my view, the marks are conceptually dissimilar. If I am wrong, then they will be conceptually similar to only a very low degree.

#### *The Applicant's Mark and the Third Earlier Mark*

102. The presence of the letter 'M' in both marks does not convey any particular meaning. The stylisation of the Third Earlier Mark creates the impression of a scratch mark created by an animal whereas the applicant's mark creates the impression of two pairs of marching legs. In my view, the marks are conceptually dissimilar. If I am wrong, then the marks will be conceptually similar to only a low degree.

103. As the Third Earlier Mark shares the greatest degree of similarity with the applicant's mark, I will proceed on the basis of this mark as it represents the opponent's best case.

### **Distinctive character of the earlier trade mark**

104. 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-2779, 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).”

105. Registered trade marks possess varying degree of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

106. I have no submissions from the applicant on the distinctive character of the earlier mark. In its written submissions in lieu, the opponent states:

“31. The Earlier Trade Marks have no meaning in relation to the goods for which they are registered. The Earlier Trade Marks are therefore inherently distinctive.

32. Furthermore, as can be seen from the Witness Statements and exhibits thereto, the Opponent has acquired an enhanced degree of distinctiveness through the significant reputation it has built up in Earlier Trade Marks in relation to the goods covered by the Opponent’s Trade Marks and in relation to energy drinks.

33. As explained in the Witness Statement and demonstrated in the exhibits thereto, the Earlier Trade Marks are used on the Opponent’s drinks cans. The Opponent has provided significant sales figures relating to drinks sold in the UK between 2012 and 2017. The sales figures for 2012 were over €79 million, and they have increased significantly, reaching €153 million in 2017.

34. As demonstrated in the Opponent’s evidence, the Earlier Trade Marks are also the subject of continuous and extensive marketing and promotion. The Opponent promotes the Earlier Trade Marks in a wide variety of ways, including through its sponsorship of athletes, athletic competitions, musicians and music festivals. The Opponent also uses the Earlier Trade Marks on merchandise and point of sale materials, as well as on its website and social media pages.

35. It is clear from the Opponent’s evidence that the Earlier Trade Marks are the subject of substantial and continuous advertising, marketing and promotion.

36. For this reason, the Opponent submits that the Earlier Trade Marks enjoy enhanced distinctive character, both per se and through the extensive use made of these marks.”

107. I must first consider the inherent distinctiveness of the Third Earlier Mark as a whole. It consists of a highly stylised letter 'M'. The letter 'M' has no connection with the goods for which the marks are registered and neither does the stylisation which gives the impression of a scratch mark made by an animal. I consider that the Third Earlier Mark has at least a medium degree of inherent distinctive character.

108. The relevant market for assessing enhanced distinctiveness is the UK market. As outlined above, the Third Earlier Mark has been used extensively by the opponent in relation to energy drinks in the UK for a number of years prior to the relevant date. In my view, the distinctiveness of the Third Earlier Mark has been enhanced to a high degree in respect of energy drinks.

### **Likelihood of confusion**

109. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade marks, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

110. I have found the marks to be visually similar to a low degree. I have acknowledged that the marks may not be pronounced at all, but if they are then they will be aurally identical. I have found the marks to be conceptually dissimilar or, if I am wrong, then they will be conceptually similar to only a low degree. I have found the opponent's



mark to have at least a medium degree of inherent distinctive character, which has been enhanced to a high degree through use in respect of energy drinks only. I have identified the average consumer to be a member of the general public (who is over 18 in the case of alcoholic beverages) who will select the goods primarily through visual means, although I do not discount an aural component. I have concluded that the level of attention paid during the purchasing process will be average, or slightly less than average in the case of non-alcoholic drinks. I will consider the likelihood of confusion in respect of those goods which are identical as, if there is no likelihood of confusion in respect of those goods, it follows that there will be no likelihood of confusion in respect of those goods which are similar to a lesser degree.

111. In my view, notwithstanding the principle of imperfect recollection and the marks being aurally identical, the visual and conceptual differences between the marks are sufficient to avoid the marks being misremembered as each other. This is particularly the case given that visual considerations will dominate the selection process. I do not, therefore, consider that there is a likelihood of direct confusion.

112. I will now consider whether there is a likelihood of indirect confusion. Indirect confusion was described in the following terms by Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

“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.”

113. The distinctive character of the Third Earlier Mark lies, not just in the letter 'M' but in the stylisation and the overall impression that this creates of the marks as a whole. The visual and conceptual differences between the marks, clearly differentiate them. Having recognised the differences between the marks, I can see no reason why the average consumer would assume that they come from the same or economically linked undertakings. The differences in stylisation between the marks are too great for the average consumer to consider one to be a rebranding or variant/alternative mark of the other.

114. As there is no likelihood of confusion in respect of the Third Earlier Mark, it follows that there will be no likelihood of confusion in respect of the First Earlier Mark or the Second Earlier Mark as they share a lesser degree of similarity with the applicant's mark and/or its specification. The opposition under section 5(2)(b) fails in its entirety.

### **Section 5(3)**

115. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows:

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Addidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks

and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases

where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

116. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the earlier marks have achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the later mark. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of the types of damage claimed will occur and/or that the relevant public will believe that the marks are used by the same undertakings or that there is an economic connection between the users. It is unnecessary for the purposes of section 5(3) that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks. The relevant date for the assessment under section 5(3) is the date of the application – 18 May 2017. As noted above, only the First Earlier Mark and the Third Earlier Mark are relied upon by the opponent for its opposition under section 5(3).

## **Reputation**

117. In *General Motors*, Case C-375/97, the CJEU stated:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout the territory of the Member State. It is sufficient for it to exist in a substantial part of it.'

118. In determining whether the opponent has demonstrated a reputation for the goods in issue, it is necessary for me to consider whether its mark will be known by a significant part of the public concerned with the goods. In reaching this decision, I must take all of the evidence into account including "the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertakings in promoting it."

119. In particular, the opponent's evidence shows:

- a) its market share in the energy drinks sector is significant;
- b) it has achieved significant sales both worldwide and in the UK, with MONSTER energy drinks generating \$23billion in gross worldwide sales;
- c) sales of MONSTER energy drinks in the UK have increased over the years, reaching €153million in 2017;
- d) each can sold since the launch of MONSTER energy drinks in 2002 has displayed a version of the First Earlier Mark and the Third Earlier Mark;
- e) since 2002, more than \$4.3billion has been spent on advertising, marketing and promotion of MONSTER energy drinks around the world;

f) more than €119.4million was spent on advertising, marketing and promotion in the EU in 2015 alone; and

g) the opponent has a significant social media following and the examples of such pages provided display acceptable variants of the First Earlier Mark and the Third Earlier Mark.

120. In my view, the opponent has demonstrated that the First Earlier Mark and the Third Earlier Mark had a strong reputation in the UK at the relevant date for energy drinks. I am not satisfied that the opponent's evidence establishes that the reputation of the marks extended to any other goods.

## **Link**

121. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

### The degree of similarity between the conflicting marks

For the reasons set out earlier, I consider that there is a low degree of visual similarity between the applicant's mark and the Third Earlier Mark. I found the marks to be aurally identical (if, indeed, they are pronounced at all). I found the marks to be conceptually dissimilar or, if I am wrong, then they will be conceptually similar to only a low degree. The same reasoning also applies to the First Earlier Mark.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

I have already found there to be no similarity between “syrups and preparations for making any of these aforesaid” in the applicant’s specification and energy drinks.

I do not consider there to be any similarity between energy drinks and the applicant’s alcoholic beverages. Whilst soft drinks and alcoholic drinks are similar in nature in that they are both liquids for consumption, I consider that consumers will consider them to be different categories of goods. Alcoholic drinks may be consumed for refreshment purposes, but they are always consumed at least partly for the effect of the alcohol. Energy drinks, on the other hand, are consumed for the energy boost they provide. This same difference will apply even in relation to the applicant’s low-alcohol products. The commercial choice will be between different alcoholic drinks or different soft drinks and so I do not consider alcoholic and non-alcoholic drinks to be in direct competition. The applicant’s alcoholic beverages are not such that you would expect to be mixed with energy drinks and I do not, therefore, consider the goods to be complementary. Taking all of this into account, I consider these goods to be dissimilar.

That leaves “non-alcoholic and de-alcoholised cider, perry and beers” in the applicant’s specification. These will all fall within the soft drinks market, as will energy drinks. However, they are still different in that one will be consumed for refreshment and to quench thirst only whilst the other will be consumed for the additional specific purpose of providing an energy boost to the consumer. In my view, these goods are similar to a medium degree.

The goods will, therefore, be either dissimilar or similar to a medium degree.

#### The strength of the earlier mark’s reputation

The First Earlier Mark and the Third Earlier Mark have a strong reputation in the UK.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

I have already found that the Third Earlier Mark has at least a medium degree of inherent distinctive character and that this has been enhanced to a high degree through use in respect of energy drinks. The same reasoning also applies to the First Earlier Mark.

Whether there is a likelihood of confusion

I have already found that there is no likelihood of confusion in respect of either the First Earlier Mark or the Third Earlier Mark.

122. In my view, even if the goods for which the opponent has demonstrated a reputation and the applicant's goods were identical, the visual and conceptual differences between the marks are such that I do not consider consumers will make any link between the marks in use. The opposition under section 5(3) must, consequently, fail.

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

123. 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).”

124. Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Daniel Alexander QC, sitting as the Appointed Person, considered the relevant date for the purposes of section 5(4)(a) of the Act and concluded as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceeding as follows:

“Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.””

125. There is no suggestion that the applicant had used his mark prior to the date of the application. The relevant date for assessing whether section 5(4)(a) applies is, therefore, the date of the application which is the subject of these proceedings – 18 May 2017.

## **Goodwill**

126. The House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in customers. It is the one thing

which distinguishes an old-established business from a new business at its first start.”

127. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

128. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in

every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application."

129. Goodwill arises as a result of trading activities. For the reasons identified above, I am satisfied that the opponent has acquired a strong goodwill in relation to energy drinks and that the sign relied upon is distinctive of that goodwill.

### **Misrepresentation**

130. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

"There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

"is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]"

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."

And later in the same judgment:

".... for my part, I think that references, in this context, to "more than *de minimis*" and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions

are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

131. I recognise that the test for misrepresentation is different to that for likelihood of confusion, namely, that misrepresentation requires “a substantial number of members of the public are deceived” rather than whether the “average consumer are confused”. However, as recognised by Lewison L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. Certainly, I believe that this is the case here. Even if the goods in respect of which the opponent has demonstrated goodwill were identical to the applicant’s, the visual and conceptual differences between the marks are sufficient to avoid consumers purchasing the applicant’s goods in the mistaken belief that they are provided by the opponent’s business. Consequently, the opposition under section 5(4)(a) fails.

## **CONCLUSIONS**

132. The opposition is unsuccessful and the application will proceed to registration.

## **COSTS**

133. The applicant has been successful and is entitled to a contribution towards its costs. The applicant is unrepresented and has submitted a costs proforma outlining the number of hours spent on these proceedings.

134. I consider the time claimed for filing a Counterstatement, considering forms filed by the opponent and considering the opponent’s witness statement and attached exhibits to be high. The applicant has claimed time for preparation for and attendance at the CMC described above. This CMC related to whether one of the exhibits filed by the opponent could remain confidential from the public. There was no request that the exhibit be kept confidential from the applicant himself. This should, therefore, not have been a point of contention between the parties but rather a procedural matter for the

Tribunal to determine. Whilst I am prepared to award the applicant an amount for attendance at the CMC, there was no requirement for the applicant to contribute and I am not, therefore, prepared to make an award for preparation.

135. The applicant's claim for "other expenses" is particularised as follows:

<b>Other Expenses</b>	<b>Time spent in hours</b>	<b>Cost</b>
<b>Time spent in hours/minutes</b>		
Seeking legal advice following Threatened Opposition	2	
Seeking legal advice following Opposition	2	
Communications with Opposition and consideration thereof discussing potential settlement	8.75	
Seeking legal advice regarding potential settlement	2.5	
Attendance & travel time to Trade Mark Clinic at IPO 11/01/2018	6.25	
Filing & posting of TM9C Request for cooling off period	0.75	
Filing & posting of TM9E Extension of cooling off period	0.75	
Seeking legal advice following receipt of Proof of Use	3.5	
Seeking legal advice in preparation of final submission	2.75	
<b>TOTAL</b>	<b>29.25</b>	
Postage of TM9C, TM9E, TM8		£10.04
Train to Cambridge - IPO London 11/1/18 for TM Clinic		£25.40
TFL Kings Cross to IPO 11/1/18 for TM Clinic		£4.80
<b>TOTAL</b>		<b>£40.24</b>

136. The applicant's claim for time spent seeking legal advice is not a cost that is recoverable in these proceedings. There is no legal representative on the record for the applicant and consequently no costs can be recovered for any legal advice received. Whilst the parties are actively encouraged to seek an amicable resolution to proceedings, time engaged in settlement negotiations will not be recoverable costs in these proceedings. Similarly, I do not consider that the applicant's time in attending a Trade Mark Clinic to be costs recoverable as part of these proceedings. Consequently, the travel expenses for attendance at the Clinic will also not be recoverable. The time spent filing and posting the TM9C and TM9E (and related expenses) also relate to activities surrounding settlement negotiations between the parties and are not costs

that would be recoverable on the scale if the applicant were represented. I do not, therefore, consider that these costs are recoverable.

137. I consider a costs award for the following number of hours to be reasonable:

- Completing the Counterstatement – 2 hours.
- Considering forms filed by the opponent – 2.5 hours.
- Considering the witness statement of the opponent and attached exhibits – 10 hours.
- Preparation of written submissions in lieu – 7 hours.
- Attendance at CMC – 1 hour.

**Total: 22.5 hours**

138. I will also allow the claim for postage of the TM8. The applicant has provided a total figure for postage of the TM8, TM9E and TM9C and has not provided a breakdown. I will, therefore, allow one third of the costs claimed which amounts to £3.34.

139. In relation to the hours expended, I note that The Litigants in Person (Costs and Expenses) Act 1975 (as amended) sets the minimum level of compensation for litigants in person in Court proceedings at £19.00 an hour. I see no reason to award anything other than this. I therefore award the applicant the sum of £427.50 (22.5 hours at £19 per hour) plus postage costs of £3.34, totalling **£430.84**.

140. I hereby order Monster Energy Company to pay Dr Robert Frank Marchington the sum of £430.84 within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

**Dated 6 March 2019**

**S WILSON**

**For the Registrar**