

**O/601/21**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. UK00003439946**

**BY OKI ISLANDS LTD**

**TO REGISTER THE FOLLOWING MARK:**

**RAIN**

**IN CLASSES 3, 5, 30, 32, 33  
AND 34**

**IN THE MATTER OF OPPOSITION THERETO**

**UNDER NO. 420177**

**BY REIGN BEVERAGE COMPANY LLC**

## Background and pleadings

1. On 28 October 2019, Oki Islands Ltd (“the applicant”) applied to register the trade mark shown below and the application was published for opposition purposes on 7 February 2020.

**RAIN**

2. The registration is sought for the following goods:

Class 3      Essential oils; aromatic oils; flavourings for essential oils based on cannabinoids; massage oils; cosmetics; toiletries; skin care preparations; skin moisturisers; non-medicated skin balms; all the aforesaid contain or relate to cannabis; all the aforesaid are not in relation to tobacco.

Class 5      Cannabinoid oils; chewing gums and plasters for use as an aid to stop smoking; pharmaceutical preparations for use in discouraging smoking; nasal spray preparations; tinctures; mouth sprays; extracts of medicinal plants; dietary supplements; nutritional supplements containing cannabinoids; medicated skin balms; Herbal medicine; Herbal supplements; Liquid herbal supplements; cannabinoid liquid; cannabinoid liquid drops; all the aforesaid contain or relate to cannabis; all the aforesaid are not in relation to tobacco.

Class 30      Flour and preparations made from cereals; bread; pastries; cakes; tarts; biscuits; confectionery; chocolate; ice cream; sorbets; edible ices; sweets; pastilles (confectionery); candies; chewing gum; all the aforesaid contain or relate to cannabis; all the aforesaid are not in relation to tobacco.

Class 32 Beers; fruit drinks and juices; syrups and other preparations for making beverages; smoothies, energy drinks; all the aforesaid contain or relate to cannabis; all the aforesaid are not in relation to tobacco.

Class 33 Wines; spirits; cocktails; alcoholic preparations for making beverages; all the aforesaid contain or relate to cannabis; all the aforesaid are not in relation to tobacco.

Class 34 Oral vaporizers for smoking purposes; personal vaporisers and flavourings and solutions thereof; vaping cannabis; cannabinoid e-liquids for use in electronic smoking vaporiser and vaporising pens; vaporiser accessories, namely cannabinoid liquids; vaporiser / vaporising pens refill liquids; vaporiser refill liquids namely cannabinoid liquids; personal vaporisers, and vaporising pens; tobacco substitutes in liquid solution form other than for medical purposes for electronic cigarettes; flavourings for electronic cigarettes and vaporisers / vaporising pens; atomisers for smoking and inhalation; parts and fittings for all the aforesaid goods; all the aforesaid contain or relate to cannabis; all the aforesaid are not in relation to tobacco.

3. Reign Beverage Company LLC (“the opponent”) opposes the trade mark on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opposition is a partial one, directed against the Class 5, 30, 32 and 33 goods in the application. In its submission received on 8 December 2020, the opponent stated that “For reasons of procedural economy, the Opponent no longer seeks to rely on UKTM Registration No. 3388553.” Consequently, it is reliant on the five remaining marks brought in opposition, as detailed below.
4. UK00003393954, filed on 23 April 2019, registered on 20 September 2019.

**REIGN**

The mark is registered for the following goods on which the opponent relies in its opposition:

Class 32      Fitness beverages.

5. UK00003383675, filed on 15 March 2019, registered on 2 August 2019.

## REIGN ENERGY

6. UK00003393963, filed on 23 April 2019, registered on 27 September 2019.

## REIGN FUEL

7. UK00003393966, filed on 23 April 2019, registered on 27 September 2019.

## REIGN PERFORMANCE

8. UK00003383326, filed on 14 March 2019, registered on 31 May 2019.

## REIGN PERFORMANCE ENERGY

9. The above four marks are registered for the following goods on which the opponent relies in its opposition:

Class 32      Energy drinks; Soft drinks.

10. In its Form TM7, the opponent argues that the respective goods are identical or similar and that the marks are similar.

11. The applicant filed a Form TM8. In its accompanying counterstatement, it denied that its mark is similar to any of the earlier marks. It admitted that some of its goods are identical or similar to some of the opponent's goods. It later clarified its position, stating that these admissions referred to the descriptions of the goods in and of themselves, unqualified by the limiting term "all the aforesaid contain or relate to cannabis".
12. The opponent filed a written submission, received on 8 December 2020, setting out its arguments for similarity between the respective marks and the goods, the role of the average consumer and the distinctiveness of the earlier marks. This was accompanied by Annexes 1 to 8, Annex 1 being dictionary definitions in support of its arguments in relation to conceptual similarity, the remaining Annexes 2 to 8 being copies of cases that it refers to in its submission.
13. The applicant filed evidence in the form of a witness statement, and an exhibit, which discusses cannabidiol ("CBD") at length, its market and products, the opponent's market and products, and the difference between CBD products and energy drinks.
14. The applicant then filed a submission, received on 8 February 2021, which cross refers to its evidence. The submission differentiates between the applicant's goods in terms of their general descriptions (and the basis on which it denied or admitted similarity in its counterstatement) and the specific reference to them containing or relating to cannabis: "Those admissions of identity/similarity ... are made in respect of the goods in quote marks therein, but not in respect of such goods with the added condition that they "contain or relate to cannabis"; the difference that the cannabis limitation makes must be considered as well, and it is submitted that the result must be a conclusion of dissimilarity (or at most a very low level of similarity)." The submission also discusses the average consumer, compares the marks, and concludes with the applicant's arguments as to the likelihood of confusion. It is accompanied by an annexe which contains the cases that are referred to in the submission.

15. The opponent filed a further submission, in response to the applicant's submission, received on 8 April 2021, together with Annex 9 and Annex 10 in the form of cases that it refers to in its further submission. It also filed evidence – two witness statements, together with exhibits. The first witness statement concerns the effects of CBD, the uses of CBD, price points and CBD content. The second witness statement features information and articles on the “Reign” “performance energy” drink and the energy drinks market.
16. The opponent filed a final submission in lieu of a hearing, received on 26 May 2021, along with Annexes 11 to 13, consisting of copies of cases referred to in the final submission.
17. The applicant also filed a final submission in lieu of a hearing, received on 26 May 2021, with a case referred to in its final submission as an annex.
18. The applicant is represented by Brandsmiths S.L. Limited and the opponent is represented by Bird & Bird LLP.
19. This decision is taken following a careful perusal of the papers.

## **Evidence**

20. The applicant filed a witness statement from Edward Lewis (“EL”), Director and General Counsel of the applicant, signed and dated 8 February 2021, together with an exhibit which is broken down into four parts, Exhibit EL1, Part 1 to EL1, Part 4.
21. EL acknowledges that the assessment of the marks and the goods will be a notional one. However, he argues that the way the parties' goods are actually marketed and perceived by customers is relevant to determining the purpose and character of the respective goods and the perception of the average consumer.

22. EL describes the applicant's products, noting that they contain CBD, "widely reputed to have therapeutic properties that promote wellness, including by alleviating stress, anxiety and inflammation."
23. EL states that the opponent "markets a range of fitness-focused energy drinks" which "contain sweeteners and have a high caffeine content, designed to stimulate those that drink it and improve athletic performance."
24. EL goes on to comment on the market that the applicant operates in, its products, its target market, the opponent's products and market, and the difference between CBD products and energy drinks. It concludes with the observation that the price differential between energy drinks and CBD products will lead to different levels of attention on the part of consumers.
25. Exhibit EL1, Part 1, consists of an article published by Medical News Today, the conclusion of a review of studies published by ScienceDirect, a blog article published by Harvard Health Publishing, and a selection of press articles.
26. Exhibit EL1, Part 2, contains extracts from the applicant's website, [raincbd.co.uk](http://raincbd.co.uk) and images of "the RAIN CLOUD" pen and packaging."
27. Exhibit EL1, Part 3, has images from the opponent's website, [reignbodyfuel.com-en-gb](http://reignbodyfuel.com-en-gb), examples of energy drink brands from other companies, an extract from [yourcoca-cola.co.uk](http://yourcoca-cola.co.uk) featuring the opponent's "Reign Melon Mania" with a product overview, examples of energy drink pricing at [sainsburys.co.uk](http://sainsburys.co.uk), and examples of CBD and non-CBD products and prices from [hollandandbarrett.com](http://hollandandbarrett.com) and [planetorganic.com](http://planetorganic.com).
28. Exhibit EL1, Part 4, shows examples of sleep remedies, both non-CBD and CBD, and CBD sprays and price ranges on [planetorganic.com](http://planetorganic.com).
29. The opponent filed a witness statement from Aaron Hetherington ("AH"), a Chartered Trade Mark Attorney at the opponent's representatives, signed and dated 8 April 2021, together with Exhibits AH-1 to AH-5.

30. AH comments on the effects of CBD, the uses of CBD, price points and CBD content.
31. Exhibit AH-1A is an article on the Hope CBD website which looks at the “biphasic” properties of cannabis.
32. Exhibit AH-1B is an article from Medical News Today which discusses the effectiveness of CBD in boosting energy.
33. Exhibit AH-1C is an article which also discusses the biphasic effects of CBD, published on the “Weedmaps” website, from which the witness quotes as follows: “Low doses may cause someone to feel energized and alert”. The article refers to a study in the Brazilian Journal of Psychiatry, provided as Exhibit AH-1D.
34. Exhibit AH-1E is an article from New Phase Blends looking at how CBD may be used by athletes to reduce inflammation of the muscles.
35. Exhibit AH-2 shows two CBD drinks on the market, “TRIP CBD” and “Endo Sport”, including information on CBD content.
36. Exhibit AH-3 shows the variety of CBD products that are on the market, including descriptions of their properties.
37. Exhibit AH-4A shows examples of CBD drinks on the UK market, while Exhibit AH-4B shows examples of CBD energy drinks on the UK market.
38. Exhibit AH-5 is an extract from the Holland & Barrett website showing the dosage amounts for the “BetterYou” CBD Oral Spray.
39. The opponent also provides a witness statement and exhibits from Paul J. Dechary (“PJD”), Senior Vice President and Deputy General Counsel of Monster Beverage Corporation, of which the opponent is a subsidiary. The witness statement is signed and dated 5 April 2021.



40. PJD's witness statement and exhibits feature information and articles on the "Reign" "performance energy" drink and the energy drinks market.
41. Exhibit PJD-1 consists of excerpts of an investor presentation for "Reign" drinks.
42. Exhibit PJD-2 is an article from Barron's financial magazine on Monster beverages and competition in the energy drinks market.
43. Exhibits PJD-3 is an article from bevnet.com concerning "performance energy" drinks and Monster's plans for a new product, "Reign". Exhibit's PJD-4, Food Business News, Exhibit PJD-5, Beverage Business Insights, and Exhibit PJD-6, Food Dive, cover the same topic.
44. Exhibit PJD-7 features images of the "Reign" drinks range.
45. I have taken the above evidence into consideration and will refer to it where necessary.

## **DECISION**

46. 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."

47. 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, international trade mark (UK) a European Union 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.”

48. Given their respective filing dates, the trade marks upon which the opponent relies qualify as earlier trade marks as defined above. Furthermore, given the dates on which they were registered, none of the earlier marks are subject to the proof of use provisions as detailed below in section 6A of the Act:

“(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 relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

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

(3) The use conditions are met if –

- (a) within the relevant period 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.

...”

### **Section 5(2)(b) – case law**

49. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

50. 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:

(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 greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of the trade marks**

51. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union (“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.”

52. 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.

53. The opponent's and the applicant's marks are shown below:

Opponent's trade marks	Applicant's trade mark
REIGN	RAIN
REIGN ENERGY	
REIGN FUEL	
REIGN PERFORMANCE	
REIGN PERFORMANCE ENERGY	

The parties' arguments on the marks

54. The opponent, in its TM7, says that its "REIGN" mark is aurally identical to the applicant's mark and will be pronounced in an identical manner by consumers. For its other marks, "REIGN ENERGY", "REIGN FUEL", "REIGN PERFORMANCE", and "REIGN PERFORMANCE ENERGY", it considers these marks to be aurally highly similar to the applicant's mark and contends

that “REIGN” is the dominant element of these marks which will be pronounced in an identical manner by consumers.

55. In its first submission, the opponent argues that, where its marks have additional words, those words are descriptive and non-distinctive, and follow the distinctive word “REIGN”, so the average consumer would pay less attention to them when forming their overall impression of the marks.
56. As well as pointing out the letters that the marks have in common, the opponent argues that, were the marks rendered in lower case, which they could be as word marks, the letters “e” and “a” are “visually similar, meaning that an average consumer who pays a low-average degree of attention when purchasing the goods is likely to confuse them at a glance”. It also contends that the letter “g” in its marks is “placed neither at the beginning nor at the end where it may have had more visual impact. Consequently, it is submitted that given its placement it would be overlooked by the public and play only a minor role in the visual impression of the marks.” The opponent submits that this point about the letter “g” counteracts the applicant’s argument that differences in individual letters have a greater impact in shorter marks.
57. Conceptually, the opponent says that “any differing dictionary definitions of the marks are of low importance in the overall comparison of the marks” and that the words “REIGN” and “REIGN” do not have one particular fixed conceptual meaning and can be used as nouns and verbs. The opponent states that “REIGN” has a dictionary definition associated with power, while “RAIN” as a verb “has a conceptually connected meaning – to *rain blows on his head*” also conveys the concept of power and force.” It further contends that the idiom “rainmaker” and the slang phrase “make it rain” “have strong connotations of power and blur the conceptual lines between the two words.”
58. In its second submission, filed in reply to the applicant’s main submission, the opponent takes issue with the Tribunal decision cited by the applicant where the marks were “Viion” and “VYOND”, reference O/011/21, pointing out that, “In the present case, both marks end with the same letter “N”.” It does not

accept the applicant's claim that there is a very low degree of visual similarity, arguing instead that the marks are visually similar to a high degree.

59. In its counterstatement, the applicant begins with a comparison of its mark and the opponent's "REIGN" mark and admits that they are aurally identical. The opponent, in its final submission, draws attention to this point: "For the reasons given, the Earlier Mark 1 and the Contested Mark are aurally identical. The other marks are aurally highly similar. This has been admitted by the Applicant at paragraph 6a of the counterstatement." However, this may give the impression that the applicant has accepted that the other four marks are aurally highly similar, whereas in fact it considers them "moderately similar aurally" (paragraph 7a of its counterstatement).
60. In comparing its mark and the opponent's "REIGN" mark, the applicant considers them to be visually similar only to a very low degree: "It is emphasised that the marks are short marks, consisting of 4 or 5 letters respectively, such that differences in individual letters have a greater impact on the level of similarity of the marks overall."
61. The applicant argues that its mark and the opponent's "REIGN" mark are conceptually dissimilar and cites contrasting dictionary definitions of the relevant words.
62. The applicant considers its mark and the opponent's "REIGN" mark to be dissimilar or, at most, of a very low degree of similarity. By comparison with the rest of the opponent's marks, the applicant contends that the degree of similarity is lower overall due to the presence of additional words and, in one case, a device. While I note that the opponent's figurative mark was subsequently withdrawn from the opposition, the applicant argues that even though "these additional elements may be less distinctive overall, they are important elements of the respective marks that cannot be ignored."
63. In its main submission, the applicant goes into more detail on the visual comparison of its mark and the opponent's "REIGN" mark. It cites the "Viion"



decision where the opponent's mark was "VYOND" and the marks were considered to be visually similar to a low degree. The applicant finds this comparable to that decision, noting that the earlier marks in each respect were five letters in length. It underlines the Hearing Officer's comments that, "These differences arising in relatively short marks, therefore, have more impact visually. Of note also is that the respective words end with different letters which also creates a point of difference." I note the opponent's point that the end letters of "RAIN" and "REIGN" are the same. The applicant concludes this part of its submission by saying, "We respectfully suggest that, as in the VIION decision, there is no more than a very low degree of visual similarity."

64. The applicant accepts that "RAIN" and "REIGN" are pronounced identically.

65. Conceptually, the applicant contends that there is no overlap between the everyday meanings of the two words at issue and that, when it comes to the opponent's other marks, the additional words yet further distance "the conceptual quality of those combinations from the concept of RAIN."

66. Overall, the applicant submits that "RAIN" and "REIGN" are dissimilar or similar at most to a very low degree and that there is no similarity between its mark and the opponent's other marks.

67. In its final submission, the applicant cites the Court of First Instance (now the General Court) decision, Case T-3/04, *Simonds Farsons Cisk Plc v OHIM* as follows (with its emphasis added): "As regards the overall assessment of the likelihood of confusion between the signs in question, it is observed that there are important visual and conceptual differences between them. In this case, it must be held that those visual and conceptual differences clearly cancel out their phonetic similarity."

#### My analysis of the marks

68. I will begin my analysis of the marks by comparison with the opponent's "REIGN" mark and will then comment on the opponent's other marks.

69. The opponent's mark is the plain word "REIGN", the only thing that contributes to the overall impression.
70. The applicant's mark is the plain word "RAIN", the only thing that contributes to the overall impression.
71. Visually, the word in the opponent's mark, "REIGN", has five letters, whereas the applicant's mark, "RAIN", has four, albeit three of the letters in the applicant's mark, "R", "I" and "N", appear in the opponent's mark. Overall, I consider the marks to be of medium visual similarity at most.
72. Aurally, the two marks would be pronounced in the same way, "RAYN". They are aurally identical.
73. Conceptually, the word "REIGN" means "rule", as in "to rule" or the period of a monarch's rule. "RAIN" means water that falls from the sky. I consider the opponent's attempts to cite alternate meanings, idioms and slang in relation to the words at issue to be minor points that do not detract from the principal concepts that the average consumer would take away from the two words in question. The marks are conceptually dissimilar.
74. Of the opponent's other marks, all of which are conceptually dissimilar by comparison with the applicant's mark:
- "REIGN ENERGY" is of less visual similarity, there being an additional word of six letters, and the marks are aurally similar to a medium degree.
  - "REIGN FUEL" is of less visual similarity, there being an additional word of four letters, and the marks are aurally similar to a medium degree.

- “REIGN PERFORMANCE” is of less visual similarity, there being an additional word of eleven letters, and the marks are aurally similar to a medium degree.
- “REIGN PERFORMANCE ENERGY” is of significantly less visual similarity, there being two additional words, and the marks are aurally similar to a medium degree.

### **Distinctive character of the earlier marks**

75. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

76. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities.
77. The opponent contends that “The distinctive and dominant element of the Earlier Trade Marks "Reign" has no meaning in relation to the goods for which for which they are registered. The Earlier Trade Marks are therefore inherently distinctive.”
78. I start with an assessment of the inherent distinctive character of the earlier marks.
79. “REIGN” is not suggestive or allusive of the goods for which it is registered. However, it is not highly distinctive in the way that it would be if it was an invented word. I find this mark to be of medium inherent distinctive character.
80. While for the opponent’s other marks the addition of words which are non-distinctive might lessen the distinctiveness of the marks as a whole, the element which is claimed to be in conflict with the applicant’s mark is just the word “REIGN” and I bear in mind that the degree of distinctiveness of the earlier mark is only likely to be significant to the extent that it relates to the point of commonality between the marks<sup>1</sup>. That word remains at a medium level of distinctiveness.
81. While the opponent provides a witness statement and exhibits from Paul J. Dechary in relation to the “Reign” “performance energy” drink and the energy drinks market, an investor presentation, and images of the “Reign” drinks range, there is no claim made of an enhanced degree of distinctive character acquired through use. However, while I accept the general point that pleadings should be as full as possible so as to set out the scope of the dispute, the absence of any specific reference in the pleadings to enhanced

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<sup>1</sup> See, *Kurt Geiger v A-List Corporate Limited*, BL O-075- 13

distinctiveness is not fatal to the opponent's case. This is because the assessment of distinctiveness is one of the fundamental factors that needs to be assessed in every case and, as is clear from the case-law, this can come from either the inherent nature of the mark, its use, or indeed a combination of the two. Therefore, if evidence has been filed, which it has in the case before me, it is incumbent upon me to factor that evidence into the assessment to decide upon the overall distinctiveness of the earlier mark. It would be perverse to do otherwise, as it would require a pretence as to the true level of distinctiveness on the part of the average consumer, based on a technicality.

82. The evidence concerns the launch, as opposed to the ongoing use of the opponent's marks. While there is some evidence of the market position of the opponent's parent company, Monster Beverage Corporation, in the reporting in the articles offered in evidence, the evidence does not contain a statement as to the market share held by the opponent, nor is there any evidence of sales. There is evidence of an intention for the opponent's marks to have their "own marketing and positioning", but not of marketing expenditure. Furthermore, the evidence relates to the United States, as opposed to the United Kingdom, with the branding materials that are shown being extracted from the United States portion of the mark's website.

83. Overall, I do not find that the evidence shows use of the marks such that the level of distinctiveness can be raised above the findings that I have made for the marks' inherent distinctive character, that of a medium degree.

### **Comparison of the goods**

84. 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 *Canon Case 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.”

85. 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.

86. 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."

87. In *Sky v Skykick* [2020] EWHC 990 (Ch), Lord Justice Arnold considered the validity of trade marks registered for, amongst many other things, the general term 'computer software'. In the course of his judgment he set out the following summary of the correct approach to interpreting broad and/or vague terms:

"...the applicable principles of interpretation are as follows:

(1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.

(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.

(3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.

(4) A term which cannot be interpreted is to be disregarded."

88. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, the General Court ("GC") 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.”

89. 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.”

90. 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.”



While 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.”

91. The contested goods in question are as follows, the terms differing for the first and the other four opponent's marks:

<b>Opponent's goods</b>	<b>Applicant's goods</b>
	<p><u>Class 5</u></p> <p>Cannabinoid oils; chewing gums and plasters for use as an aid to stop smoking; pharmaceutical preparations for use in discouraging smoking; nasal spray preparations; tinctures; mouth sprays; extracts of medicinal plants; dietary supplements; nutritional supplements containing cannabinoids; medicated skin balms; Herbal medicine; Herbal supplements; Liquid herbal supplements; cannabinoid liquid; cannabinoid liquid drops; all the aforesaid contain or relate to cannabis; all the aforesaid are not in relation to tobacco.</p>
	<p><u>Class 30</u></p> <p>Flour and preparations made from cereals; bread; pastries; cakes; tarts;</p>

	biscuits; confectionery; chocolate; ice cream; sorbets; edible ices; sweets; pastilles (confectionery); candies; chewing gum; all the aforesaid contain or relate to cannabis; all the aforesaid are not in relation to tobacco.
<p><u>Class 32</u></p> <p>For “REIGN”: Fitness beverages.</p> <p>For “REIGN ENERGY”, “REIGN FUEL”, “REIGN PERFORMANCE”, and “REIGN PERFORMANCE ENERGY”: Energy drinks; Soft drinks.</p>	<p><u>Class 32</u></p> <p>Beers; fruit drinks and juices; syrups and other preparations for making beverages; smoothies, energy drinks; all the aforesaid contain or relate to cannabis; all the aforesaid are not in relation to tobacco.</p>
	<p><u>Class 33</u></p> <p>Wines; spirits; cocktails; alcoholic preparations for making beverages; all the aforesaid contain or relate to cannabis; all the aforesaid are not in relation to tobacco.</p>

The parties’ arguments on the goods

92. In its TM7, the opponent argues that the goods covered by the application are highly similar to its goods. It claims that they have similar purposes, are manufactured/distributed by the same undertakings, can be purchased by the

same consumers in the same premises, and are all preparations for human consumption which can be used to have an effect on a person's state or to provide a person with energy. The opponent considers there to be a high degree of similarity and complementarity between the applicant's class 5, 30 and 33 goods and its goods and that the class 32 goods are identical.

93. In its first submission, the opponent compares its goods with the applicant's Class 5 goods, noting that they are all for human consumption and stating that, "They can all be used to have an effect on a person's state or to provide a person with energy. By virtue of having the same purpose, they can therefore be in direct competition with each other." It also cites an EUIPO case (No B 2 803 370), where, in an analysis of the question of reputation, it was found that, for the applicant's Class 5 goods in that particular case and energy drinks: "Even though some of the contested goods include dietetic supplements, they are all used to have some effect on a person's state (of energy), and whose intended purpose could, therefore, be the same as that of energy drinks (i.e. drinks used in sports for getting an energy boost). The only difference would be that some of the goods in Class 5 are medicated, whereas those in Class 32 are for general consumption, but these goods are also often used in combination, as sports people drink energy drinks together with all kinds of food and drink supplements. For all these reasons, the consumer will assume that the applicant's goods in Class 5 are marketed by, or are under the control of, the opponent."

94. In its final submission, the opponent returns to the question of the similarity between its goods and the applicant's Class 5 goods, citing a EUIPO Board of Appeal case (R 807/2015-5, *Grupo Omnilife, S.A. De C.V. v Sanofi*) quoting from it (with its emphasis added) as follows: "23 Based on all the above, and also due to the coincidence in distribution methods and points of sale, Board confirms that the conflicting goods in Class 5 are identical, while the contested "energy, hypotonic, isotonic and hypertonic beverages; nutritional beverages containing vitamins and minerals, not for medical purposes, presented as liquid mixtures, in powder form or ready to drink" are similar,

rather than similar to a low degree as established by the Opposition Division, to the goods covered by the earlier mark.” It argues that the reasoning from this case can also be applied to all of the applicant’s Class 5 goods since these goods “are also consumed to increase physical health and well-being, to create a healthy lifestyle or to boost energy. Whether they are for medical use or not is irrelevant. There is consequently at least an average degree of similarity with the Opponent’s goods.”

95. Returning to the opponent’s first submission, the opponent goes on to compare its goods with the applicant’s Class 30 goods: “They are complementary because they are often consumed together. For example, consumers will purchase both a pastry, cake or other confectionery related product along with a beverage and consume both in one sitting. This is often from the same distribution outlet. Coffee shops, to take one particular example, often produce both types of product and will sell them as part of the same transaction. This indicates that consumers are accustomed to these products being manufactured and sold by the same commercial undertaking. This is also the case in cafes and restaurants. The purpose of these goods is also the same – to provide energy and refreshment to the consumer.” It also cites an Opposition Division case (No 1955/2001) where “it was held there was similarity between non-alcoholic beverages in class 32 and desserts and ice creams in class 30”.

96. In relation to the respective Class 32 goods the opponent states: “Soft drinks are identical to fruit drinks/juices and smoothies, because they are not mutually exclusive terms. Fruit drinks fall under the broader category of soft drinks. The same can be said for the comparison between fitness beverages and fruit drinks, which are also not mutually exclusive categories of drinks and frequently overlap. Clearly, there is also direct overlap in the term energy drinks. In any case, the Applicant has admitted the identity of these goods at paragraph 8b of its Counterstatement.”

97. The opponent goes on to contend that there is at least an average degree of similarity between beers and soft drinks, citing the decision of the General Court (T-378/17). It also argues that the applicant's syrups and other preparations are similar to its soft drinks and energy drinks.
98. Finally, the opponent puts forward arguments as to similarity between alcoholic and non-alcoholic beverages and cites cases in support. It refers to a General Court decision that upheld a Board of Appeal decision that beers were similar to non-alcoholic drinks and then goes on to quote from the R 2158/2018-5, *ed EUROPEAN DRINKS (fig.) / ED et al* Board of Appeal case where the Board considered particular non-alcoholic beverages to be similar to the opponent's "beer" to an average degree. Regarding the complementarity of alcoholic and non-alcoholic drinks, it also quotes from the R 0524/2004-1, *BAROSSA VINES GRANT BURGE BAROSSA (FIG. MARK) / GRAND BAROSSA* Board of Appeal case.
99. In its second submission, the opponent takes issue with the applicant's attempt to differentiate between the applicant's goods and those of the opponent on the grounds of the cannabis content. The opponent contends that its goods are all broad terms that "encompass the Contested Goods." It also argues that the contentions of the applicant as to the different purposes of its goods – calming and therapeutic – by contrast with the opponent's relevant goods – energy-giving – are "rendered irrelevant" by its evidence that "CBD can in fact also have alerting, stimulating, energising effects, particularly when consumed in smaller doses".
100. In its main submission, the applicant clarified its position on the similarity of the goods, stating that the admissions made in its counterstatement referred to the descriptions of the goods in and of themselves, unqualified by the limiting term "all the aforesaid contain or relate to cannabis". It argues that "the difference that the cannabis limitation makes must be considered as well, and it is submitted that the result must be a conclusion of dissimilarity (or at most a very low level of similarity)."

101. In respect of its Class 5 goods, the applicant considers that the opponent's point that "the contested goods in Class 5 are intended for consumption, and as with energy drinks and fitness beverages can be part of a healthy lifestyle is not specific enough to warrant a finding of similarity". It also dismisses the opponent's citation of case No B 2 803 370, where similarity was found between Class 5 and Class 32 goods, arguing that, "None of the findings of similarity in that case survive contact with the cannabis-based nature of the contested goods in the present proceedings." It then goes on to cite an EUIPO case of its own, *Laboratorios Ern v Runtime* (No B 3 086 448), which did not involve a cannabis element, in which what it considers to be a similar range of contested goods in Class 5 and 32 were found to be dissimilar.

102. Regarding its Class 30 goods, the applicant contends that, "Even without the cannabis element, the contested goods in Class 30 such as bread, pastries, cakes, tarts, ice cream etc clearly have nothing to do with fitness or sports, and indeed might rather be thought to represent indulgent and carbohydrate-heavy treats, a stark departure from the healthy activities associated with energy drinks and fitness beverages." It also cites the EUIPO case *Energy Beverages* (No B 3 000 398), where Class 30 and Class 32 goods were found to be dissimilar, in support of its argument.

103. The applicant moves on to argue that, in relation to its alcoholic beverages in Class 32 and Class 33 and the opponent's goods, "It is submitted that they are clearly dissimilar, even without the cannabis element, but unquestionably so once that characteristic is included. They have entirely different characteristics and users – relaxation and enjoyment on the one hand, athleticism and exercise on the other." It counters the cases cited by the applicant in this area with the EUIPO cases, *Cavit* (B 3 097 179) and *Minus v BHS Trans* (B 2 829 961), where, respectively, soft drinks and energy drinks were found to be dissimilar to alcoholic beverages. Furthermore, it says that "whatever level of similarity might be said to exist between the goods in question when they are not cannabis-based, that is entirely vitiated

by the fact that they do actually contain cannabis or CBD. That additional characteristic puts clear water between the contested goods and those of the Earlier Marks.”

104. For its remaining Class 32 goods, the applicant contends that, “Cannabis based fruit drinks are a world away from ordinary fruit drinks, for example. In fact the cannabis aspect of the goods dominates their characteristics to the extent that the underlying product can be seen simply as a pleasant means by which to imbibe the cannabis or CBD.”

105. In its final submission, the applicant states the following: “Where only similarity is admitted, the Applicant stands by its submission that the inclusion of cannabis adds a highly significant point of difference that feeds into the s.5(2)(b) analysis which this Tribunal must perform. As to identity, for the avoidance of doubt the Applicant accepts that where goods are admitted to be identical (e.g. *energy drinks*), that identity will not be negated by the inclusion of the cannabis characteristic of the Contested Goods.” However, it notes that the first of the opponent’s marks, “REIGN”, is not registered for energy drinks.

#### My analysis of the goods

106. I note that all of the terms in the applied for goods are appended by the term, “all the aforesaid contain or relate to cannabis.” “Relate to” seems to be an odd construction in that it is difficult to see how goods could relate to cannabis other than containing cannabis. This is acknowledged in a footnote in one of the applicant’s submissions as follows: “Although “relate to” could perhaps be thought to mean something other than or additional to “contain”, it is submitted that in reality there is no way that any of the contested goods could lawfully be marketed under the Mark as “relating to” cannabis unless they did in fact contain cannabis or cannabis extract.” As such, I will take the above term to mean that all of the goods contain cannabis. Furthermore, I am carrying out my analysis on the basis that the cannabis in question is CBD,

that being the form of cannabis that is legally saleable in the goods that are at issue.

107. I further note that all of the terms in the applied for goods are also appended by the term, “all the aforesaid are not in relation to tobacco.” However, as none of the other side’s goods relate to tobacco, the fact that the applied for goods do not relate to tobacco has no material consequence here.

#### Class 5

108. I compare “chewing gums and plasters for use as an aid to stop smoking” and “pharmaceutical preparations for use in discouraging smoking” (which contain cannabis) with the opponent’s “Fitness beverages” (registered for “REIGN”) and “Energy drinks” (registered for “REIGN ENERGY”, “REIGN FUEL”, “REIGN PERFORMANCE”, and “REIGN PERFORMANCE ENERGY”). The goods’ respective purposes are significantly different – to stop or discourage smoking, set against to improve the body’s capacity for fitness or to provide it with energy. Their physical natures and method of use only coincide to the limited extent that a pharmaceutical preparation for use in discouraging smoking could in theory be made available in liquid form, but it ordinarily takes the form of tablets, gum, or patches. While the goods could be found in the same retail outlets – chemists and health food shops, they would be shelved separately. The goods are not in competition, nor are they complementary. I find the respective goods to be dissimilar.

109. I compare “dietary supplements”, “nutritional supplements containing cannabinoids”, “Herbal supplements” and “Liquid herbal supplements” (all of which contain cannabis) with the opponent’s “Fitness beverages” and “Energy drinks”. The respective goods may differ in nature in that the supplements could come in tablet form, or as a powder to be mixed into a drink, although they could also come in liquid form like the opponent’s drinks. There is a small difference in terms of method of use in that supplements are generally taken on a more systematic, medium to long term basis, in order to maintain



the levels in the body of a particular substance. Even allowing for those consumers who build the use of fitness or energy drinks into their exercise routine, the use of such drinks is more event driven. In terms of trade channels, all the goods would be found in chemists or health foods shops, but they would be placed on different shelves.

110. The medicinal properties and wider effects of cannabis in the form of CBD are debated in the parties' submissions and evidence. The opponent puts forward the thesis that small doses of CBD can be stimulating, promoting alertness, or can boost energy and cites some CBD products that are marketed as having stimulating properties. It also puts forward evidence in relation to the "biphasic" properties of cannabis. However, in line with the applicant's submissions and evidence, I regard cannabis as generally being considered to be a relaxant and a means of pain relief. Even where it is an ingredient in energy drinks, that ingredient would not be seen as the source of the energy, but as a contributory ingredient to the well-being of the consumer.

111. Furthermore, when carefully considering the various factors that I must take into account in my goods comparison, I am not persuaded by the opponent's other arguments as to similarity and the cases it cites in support.

112. Other than having the very broad common aim of improving health and well-being, the respective goods discussed above differ in their core purposes, the opponent's goods being intended to improve the body's ability to be active. The goods are not complementary. Given that their purposes generally differ, they are not in direct competition. Overall, I find the respective goods to be dissimilar, or, if I am wrong, of low similarity.

113. In respect of "Cannabinoid oils", "tinctures", "mouth sprays", "extracts of medicinal plants", "Herbal medicine", "cannabinoid liquid" and "cannabinoid liquid drops" (all of which contain cannabis), apart from the absence of a potential slight difference in method of use brought about by the word "supplements", the same analysis applies as above. I also find these goods to be dissimilar.

114. “Nasal spray preparations” and “medicated skin balms” (both of which contain cannabis) are at a further remove from the opponent’s goods, in that neither is capable of being administered orally. I find these goods to be dissimilar.

### Class 30

115. I now compare “Flour and preparations made from cereals”, “bread”, “pastries”, “cakes”, “tarts”, “biscuits”, “confectionery”, “chocolate”, “ice cream”, “sorbets”, “edible ices”, “sweets”, “pastilles (confectionery)”, “candies” and “chewing gum” (all of which contain cannabis) with the opponent’s “Fitness beverages” (registered for “REIGN”) and “Energy drinks” and “Soft drinks” (registered for “REIGN ENERGY”, “REIGN FUEL”, “REIGN PERFORMANCE”, and “REIGN PERFORMANCE ENERGY”). Such baked goods (and their ingredients), together with confectionary and ices, differ in nature and method of use, all being eaten or chewed (or capable of being made to be eaten) as opposed to drunk. Their purposes also differ. The former goods are aimed at allowing people to ingest cannabis, with its supposed benefits as a relaxant and pain reliever, while eating something pleasant. The latter are intended to improve the body’s ability to be active. Even where such goods were stocked in the same shop, they would be located in different parts. The goods are not in competition, nor are they complementary.

116. When carefully considering the various factors that I must take into account in my goods comparison, I am not persuaded by the opponent’s arguments as to similarity and the case it cites in support. I find the respective goods to be dissimilar, or, if I am wrong, of low similarity.

### Class 32

117. “Beers” (containing cannabis), by comparison with “Fitness beverages” (registered for “REIGN”) and “Energy drinks” and “Soft drinks” (registered for

“REIGN ENERGY”, “REIGN FUEL”, “REIGN PERFORMANCE”, and “REIGN PERFORMANCE ENERGY”), have the purpose of intoxicating the drinker, as well as acting as a relaxant and pain reliever, while the opponent’s goods are intended to improve the body’s ability to be active, or have the purpose of general refreshment. The method of use is the same. The users and trade channels only overlap partially in that pubs, off licences and supermarkets will only sell the applicant’s goods to adults, while the opponent’s goods can be bought by any member of the public and are more widely available. The goods are not in competition, nor are they complementary. While soft drinks could be said to be important to beer in the making of shandy, I do not think it likely that the average consumer may think the responsibility for the goods lies with the same undertaking. I find the respective goods to be dissimilar, or, if I am wrong, of low similarity.

118. When comparing “fruit drinks and juices” and “smoothies ... ” (containing cannabis) with the opponent’s “Fitness beverages”, they are all non-alcoholic drinks with the same method of use. The applicant’s goods contain cannabis, but, although it is possible for fitness beverages to contain cannabis, they ordinarily do not. They share the same method of use, but they differ in core purposes, the former to be used as a relaxant and for pain relief, the latter being intended to improve the body’s ability to be active. They could, however, be available from the same outlets, such as supermarkets, and could be stocked in the same aisle. The goods would be in competition where the purchaser was making a choice based on the secondary property of general refreshment that the beverages offer, as opposed to a choice based on their primary purposes – a drink containing cannabis versus a fitness beverage. The respective goods are not complementary. Overall, I find them to be of medium similarity.

119. When comparing “fruit drinks and juices” and “smoothies ... ” (containing cannabis) with the opponent’s “Soft drinks”, they are *Meric* identical in that the goods designated by the trade mark application are included in a more general category designated by the earlier mark.

120. When comparing “syrups and other preparations for making beverages” (containing cannabis) with the opponent’s “Fitness beverages”, they are both non-alcoholic. The applicant’s goods contain cannabis, but, although it is possible for fitness beverages to contain cannabis, they ordinarily do not. They do not share the same method of use, the former being the basis for a drink while the latter is ready made. They differ in core purposes, the former to be used as a relaxant and for pain relief once made up into a drink, the latter being intended to improve the body’s ability to be active. Where the preparation is a syrup, that ingredient would not normally form the basis of a “fitness” beverage, but other types of preparation could. The goods could be available from the same outlets, such as supermarkets, and could be stocked in the same aisle. They would only be in competition where the purchaser was making a choice based on the secondary property of general refreshment that the two types of beverage offer and then between the basis for a drink and a ready-made drink. Regarding complementarity (leaving aside the complicating factor of the cannabis content of the applicant’s goods), the one would not be dependent on the other, the syrup and so on being reliant on water or milk or the like, not a ready-made fitness beverage. Overall, I find the respective goods to be of medium similarity.

121. When comparing “syrups and other preparations for making beverages” (containing cannabis) with the opponent’s “Soft drinks”, they are both non-alcoholic. The applicant’s goods contain cannabis, but, although it is possible for soft drinks to contain cannabis, they ordinarily do not. They do not share the same method of use, the former being the basis for a drink when water or milk or the like is added, while the latter is ready made. They differ in core purposes, the former to be used as a relaxant and for pain relief once made up into a drink and the latter for general refreshment. The goods could be available from the same outlets, such as supermarkets, and could be stocked in the same aisle. They would only be in competition where the purchaser makes a choice between a refreshment which includes cannabis once made up into a drink and refreshment alone and further chooses

between a drink to be made up through the adding of water or milk or the like and a ready-made drink. Regarding complementarity (leaving aside the complicating factor of the cannabis content of the applicant's goods), the one would not be dependent on the other, the syrup and so on being reliant on water or milk or the like, not a ready-made soft drink. Overall, I find the respective goods to be of medium similarity.

122. When comparing "... energy drinks" (containing cannabis) with the opponent's "Fitness beverages", they are both non-alcoholic drinks and share the same method of use. While the cannabis ingredient in the applicant's goods might be relaxation-inducing and a source of pain relief, the other ingredients that make up an energy drink could be said to be similar in content to that of fitness beverages and the respective goods have the same general aim of promoting well-being. While an energy drink is aimed at giving the general drinker a short-term energy boost, fitness beverages are targeted specifically at those who exercise. The respective goods would be sold through the same outlets – chemists, health food shops and supermarkets, and would be shelved close together. Notwithstanding the objective merits of energy drinks versus fitness beverages, the goods would be in competition among consumers seeking a pre- or post-workout drink. They are not complementary. Overall, I find the respective goods to be highly similar.

123. "... energy drinks" (containing cannabis) are *Meric* identical to the opponent's "Energy drinks" in that the goods designated by the trade mark application are included in a more general category designated by the earlier mark.

### Class 33

124. "Wines", "spirits", "cocktails" (all of which contain cannabis), by comparison with "Fitness beverages" (registered for "REIGN") and "Energy drinks" and "Soft drinks" (registered for "REIGN ENERGY", "REIGN FUEL", "REIGN PERFORMANCE", and "REIGN PERFORMANCE ENERGY"), have the purpose of intoxicating the drinker, as well as acting as a relaxant and

pain reliever, while the opponent's goods are intended to improve the body's ability to be active, or have the purpose of general refreshment. The method of use is the same. The users and trade channels only partially overlap in that pubs, off licences and supermarkets will only sell the applicant's goods to adults (and possibly subject to other restrictions based on the cannabis content), while the opponent's goods can be bought by any member of the public and are more widely available. The goods are not in competition. I do not consider the goods to be complementary. In respect of spirits and cocktails (which contain cannabis) and soft drinks, there might be a case for saying that they are important to each other, but I do not think it likely that the average consumer may think the responsibility for those goods lies with the same undertaking. In that regard, I am not persuaded by the opponent's arguments in relation to the similarity of alcoholic and non-alcoholic beverages and the cases cited in support. I find the respective goods to be dissimilar, or, if I am wrong, of low similarity.

125. Regarding "Alcoholic preparations for making beverages" (which contain cannabis), the same analysis applies as above except that the method of use differs and the trade channels would differ further in that the goods would not be available on a standalone basis in pubs, but would be obtained by the pub trade. I also find these goods to be dissimilar, or, if I am wrong, of low similarity.

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

126. 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 the 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.”

The parties’ arguments on the average consumer and the purchasing act

127. In its first submission, the opponent contends that the degree of attention on the part of the average consumer would be low or average for the relevant goods in Classes 30, 32 and 33 and average for the relevant Class 5 goods.

128. The opponent contends that alcoholic products are predominantly purchased verbally and that soft drinks are often requested verbally in bars and restaurants. It also considers CBD products to be frequently purchased verbally as, “The general public are not yet well accustomed to different CBD products, which is still a relatively new emerging market, and so they are likely to consult a retailer verbally for a product or brand recommendation.”

129. In its second submission, the opponent refers to *Elgin Beverages v Char (Uk) Ltd* (O-464-15) whereby the purchasing process for iced tea was considered to be aural and visual to an equivalent extent. The opponent goes on to say that, in the matter before me, “A consumer seated at a restaurant would give their order to a waiter without any visual reference on the packaging (although the brand may be stated in a drinks list). Similarly, at a bar, the soft drinks/energy drinks are usually kept below the bar (or on tap for pre-mixed soft drinks) with the spirits on display on the shelf behind the bar staff. So again, the purchasing act is spoken and therefore the aural identity/similarity is even more important. It is accepted that there is a

visual component to this purchasing act, though the aural significance is of at least equivalent importance.”

130. In its final submission, the opponent quotes from two cases. First, the MIXERY/MYSTERY General Court case (Case T-99/01, *Mystery drinks GmbH v OHIM*): “*Since the goods in question are also consumed after being ordered orally, the aural similarity of the signs in question is in itself sufficient to give rise to the likelihood of confusion.*” Second, the Red Bull/Red Shot Board of Appeal case (R 533/2006-2, *Red Bull GmbH v Incorporated Beverages (Jersey) Limited*): “*Moreover, when ordering drinks in a bar or discotheque (or in some other oral purchase situation), consumers will often not be in a position to compare marks side-by-side but must rely on their imperfect recollection of the brand name beverage they wish to consume.*”

131. In its main submission, the applicant quotes the Board of Appeal case *La Aurora*, R 610/2020-2, whereby “not only medical professionals, but also the public at large have a relatively high level of attention with respect to the goods that have been found identical, namely “medical cannabis containing cannabidiol as being a pharmaceutical preparation””. The applicant considers that this case supports its view that CBD products are very unusual and, “The average consumer will obviously pay a higher than average level of attention in making what is a relatively unusual purchase with a very specific aim. They will be motivated to make a careful selection.”

132. The applicant goes on to refer to the Tribunal decision *COAST Beer Co*, O/015/21, which in turn refers to *Simonds Farsons Cisk Plc*. In the *Coast Beer Co* decision, it was decided that the selection process was a predominantly visual one and that the average consumer would pay a reasonable (but not high) level of attention when selecting the goods. The applicant approves of the reasoning in this decision: “We say that reasoning is entirely sound for the contested goods in the present case too.



All of the contested goods are most likely to be purchased by means of the consumer's visual selection of an item from the shelf of a retail outlet, say, but to the extent that any of them might be ordered orally, perhaps over the counter at a pharmacy (for certain of the Class 5 goods, say) or in a bar or restaurant (beers and wines, for example), the consumer is going to be presented with the product for visual inspection at the point of purchase, or indeed will be able to see the product behind the bar or counter before they even ask for it."

133. In its final submission, the applicant takes issue with the opponent's reference to the *Elgin Beverages* iced tea decision, and again cites *Simonds Farsons Cisk Plc*, arguing that this case demonstrates that it is for a party to provide evidence that its goods are generally sold in such a way that the public does not perceive the mark visually.

#### My analysis of the average consumer and the purchasing act

134. In respect of the goods that are in conflict (including where they contain cannabis), the average consumer will be a member of the public purchasing soft drinks (or syrups and other preparations for making beverages that can be made up into soft drinks), either for general refreshment or specifically for their health giving, energy providing or performance benefits. While there is extensive case law on the verbal aspects of purchasing beverages, I agree with the applicant that *Simonds Farsons Cisk Plc* is a pertinent case. The case stated that:

"... as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant's goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel. In addition, even though consumers can order a beverage without having examined those shelves in advance they are, in

any event, in a position to make a visual inspection of the bottle which is served to them.”

135. Where the goods at issue are purchased in a bar or café, visual considerations will predominate in the form of use of a drinks’ menu, or directly scrutinising the goods on the shelves or through glass-fronted cabinets. Consequently, while an aural component in the purchasing process is not ruled out, visual factors are the more important.
136. It should also be noted that, given that the goods at issue are soft drinks, as opposed to alcoholic beverages, the majority of purchases will be directly from the shelves, whether that be in a supermarket, chemist, or health food shop. In these cases, the act of purchasing will be overwhelmingly subject to visual considerations, although the verbal aspects of the purchasing process are not entirely discounted.
137. Having reviewed the evidence from both parties on price points according to whether goods do or do not contain CBD, I do not consider the goods at issue that contain CBD would be materially more expensive than the goods that do not. Transactions will not be of high cost, but the average consumer may give due consideration to other factors such as the flavour and the combination of ingredients in the beverage, particularly where the goods contain CBD. Overall, I consider that a medium degree of attention will be paid when the goods are being purchased.

### **Likelihood of confusion**

138. 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 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 vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, 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 they have retained in their mind.

139. In respect of the applicant's mark and the opponent's "REIGN" mark, I have found these marks to be of medium visual similarity at most and that they are aurally identical and conceptually dissimilar.

140. I have found the parties' goods to be of medium similarity or highly similar, or of low similarity where I have considered the possibility that my finding of dissimilarity could be wrong. For the remaining goods, I have found them to be dissimilar without qualification. The average consumer is a member of the public who would pay a medium degree of attention during the purchasing process, the act of purchasing either being overwhelmingly subject to visual considerations, or one where visual factors are the more important.

141. I consider there to be sufficient differences between the opponent's mark and the applicant's mark to avoid them being mistakenly recalled as each other. The applicant's mark contains four letters to the opponent's five and the two marks are entirely different conceptually. While conceptual differences do not always counteract visual and aural similarities (in this case aural identity), I consider that, in the case before me, the strong conceptual difference does so when the various factors are taken into account, including the nature of the purchasing process identified earlier. Thus, notwithstanding imperfect recollection, there is no likelihood of direct confusion, even for

those goods that I have found to be highly similar. I should add that I would have reached the same finding even if the goods were considered to be identical.

142. The opponent's other marks are of lesser similarity visually, are aurally similar to a medium degree, and are also conceptually dissimilar. Even allowing for the interdependency principle and the fact that some of the goods that are registered under these other marks are identical to some of the applicant's goods, the respective marks are sufficiently different for there to be no possibility of direct confusion.

143. It now falls to me to consider the 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 recognised 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."

144. The average consumer would recognise the respective marks ("RAIN" and "REIGN") as different. The two words give rise to completely different concepts. There is no basis on which the average consumer would consider the possibility of brand variation or some other factor that would lead them to

think that contested goods are sold by the same or economically linked undertakings. The first words of the respective marks not being a tenable basis for a finding of indirect confusion, the opponent's other marks which append various words to "REIGN" also do not give rise to a finding of indirect confusion.

## **CONCLUSION**

145. The opposition has failed. The application will proceed to registration, subject to appeal.

## **COSTS**

146. The applicant has succeeded. In line with Annex A of Tribunal Practice Notice 2 of 2016, I award costs to the applicant as below.

Preparing a statement and considering the other side's statement:	£200
Preparing evidence and considering and commenting on the other side's evidence:	£750
Preparation of submissions:	£400
<b>Total:</b>	<b>£1350</b>

147. I order Reign Beverage Company LLC to pay Oki Islands Ltd £1350. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 12th day of August 2021**

**JOHN WILLIAMS**  
**For the Registrar**