

O-037-05

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 768330  
BY ELVIS MUSTAFOV TO REGISTER A  
TRADE MARK IN CLASS 32**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER  
NUMBER 70970 BY BACARDI & COMPANY LIMITED**

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**IN THE MATTER OF Application No. 768330  
by Elvis Mustafov to register a trade mark in  
Class 32**

**and**

**IN THE MATTER OF Opposition there to under  
No. 70970 by Bacardi & Company Limited**

**BACKGROUND**

1. On 12 September 2001 Elvis Mustafov applied to protect the following trade mark in Class 32 of the Register under the provisions of the Madrid Protocol on the basis of registration in Germany:



2. Protection is sought in relation to “Non-alcoholic beverages, namely energy drinks”.

3. The application was published in the Trade Marks Journal and on 21 January 2003 Bacardi & Company Limited filed Notice of Opposition. In summary the grounds were:-

- (i) Under Section 5(2)(b) of the Act because the marks applied for are similar to the following earlier trade marks owned by the opponent which cover identical and/or similar goods and there exists a likelihood of confusion on the part of the public – United Kingdom Registration

No 2252634 and Community Trade Marks Registration No 123265 and 668988 (where identity of goods is claimed) and numerous United Kingdom and Community Trade Mark Registrations in Class 33 (where similarity of goods is claimed). The earlier registrations are listed at Schedule 1 to the Statement of Grounds and a copy of Schedule 1 is reproduced as Annex One to this decision.

- (ii) Under Section 5(3) because the mark applied for is similar to the earlier trade marks of the opponent and to the extent that the applicant's marks are to be registered for goods which are not similar to those goods or services for which the opponent's marks are registered and as the opponent's trade marks have a reputation, use of the applicant's trade marks without due course would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier marks.
- (iii) Under Section 5(4)(a) of the Act by virtue of the law of passing off.

4. The applicant filed a Counterstatement denying the grounds of opposition.

5. Both sides ask for an award of costs in their favour and have filed evidence. The parties are content for a decision to be taken without recourse to a hearing.

#### **OPPONENT'S EVIDENCE**

6. The opponent's evidence consists of a witness statement by Helen Newman dated 23 February 2004. Ms Newman is the Attorney in fact of Bacardi & Company Limited (the opponent).

7. Ms Newman states that the opponent and its predecessors in interest (the opponent) have for many years been engaged in the sale and distribution of a wide variety of beverages and other goods under its BAT device mark. She adds that a version of the BAT device as a trade mark for distilled beverages began in the UK in 1915 and since that date, the mark has been used in relation to a variety of beverages including non-alcoholic beverage mixes. In support, Ms Newman refers to Exhibit B of her statement showing examples of the "changing face" of the opponent's BAT device taken from its marketing brochure.

8. Ms Newman goes on to state that the opponents BAT device has been applied to labels, containers and advertisements for its beverages and pre mixed beverages. Exhibit C to Ms Newman's statement shows examples of use of the BAT device and its internal guidelines on such use in marketing. The BAT device is nearly always shown in conjunction with the BACARDI word mark and there are instructions that "the Bat Device should be used on its own, without the BACARDI Primary Identity, only where there is obvious BACARDI branding elsewhere in the same piece of communication".

9. Turning to advertising in the UK, Ms Newman by way of example, refers to a 2001/2002 campaign, the first starring the footballer/actor/celebrity Vinnie Jones and the second a cat who goes clubbing, in which the BAT device mark was a dominant

feature. She attaches Exhibit D to her statement in support. Ms Newman adds that the opponent's advertising has appeared in the press, television, billboards, the internet and promotional events. Exhibit E is filed in support.

10. Ms Newman states that the opponent's BAT device has appeared on every bottle of BACARDI rum sold in many countries and appears on pre-mixed alcoholic beverages. Examples are at Exhibit H to Ms Newman's statement. Ms Newman goes on to provide sales figures of BACARDI rum alcoholic beverages in the UK which are attached at Annex Two to this decision.

11. Ms Newman mentions a number of legal proceedings overseas in relation to the BAT device.

12. Ms Newman refers to a number of publications in which the opponent's rum products have been noted as a world-wide brand leader. Exhibit L is filed in support.

13. Turning to a comparison of the respective marks, Ms Newman states that the bat devices are essentially identical in that they both contain a representation of a bat in flight with its wings spread and the bat is represented in an outstretched, front facing position. Ms Newman contends that the word "energy drink" in the applicant's mark is descriptive and that the vertical stripes in the mark are non-distinctive.

14. Ms Newman contends that the applicant's goods are closely related to the goods with which the opponent has used and registered its mark. She submits that "non-alcoholic energy drinks" are complementary to rum and pre-mixed alcoholic beverages and are commonly sold through the same trade channels to the same customer. She asserts that non-alcoholic energy drinks are commonly used as mixers for alcoholic beverages and often sold pre-mixed with alcoholic beverages.

#### **APPLICANT'S EVIDENCE**

15. The applicant's evidence consists of the witness statement of Philip Armiston Redman. It is dated 26 July 2004. Mr Redman is the Trade Mark Attorney acting for the applicant.

16. Mr Redman states that the applicant has been engaged for many years in the sale and distribution of beverages under its POWER BAT logo – the mark applied for. He adds that the applicant is also the registered proprietor of United Kingdom Trade Mark Registration No 2208968 for the mark RED BAT for "non-alcoholic beverages" in Class 32.

17. Mr Redman's comments in response induce the following points:

- (i) the period of use of the opponent's mark is not defined and the opponent does not particularise the form of the mark used and how it is used;
- (ii) use of the opponent's mark is a minor part of the regalia as a whole and may be regarded as a subsidiary or ornamental feature;

- (iii) the opponent's evidence does not mention dates other than 2001 and 2002 in relation to the promotion of its mark;
- (iv) the opponent's sales have been under the BACARDI trade mark and not the BAT device and substantive use of the bat device only commenced in 2001;
- (v) in relation to international litigation the opponent's comments are selective as the applicant has been successful in a number of jurisdictions;
- (vi) account should be given to the fact that the mark applied for contained a striped background (distinctive in its own right) and the words "Energy Drink" must be considered as part of the mark;
- (vii) alcoholic and non-alcoholic beverages can co-exist under the same trade mark and the applicant's and opponent's products have been used side by side for a considerable number of years in the same market places, including the UK, and the applicant is not aware of any confusion.

#### **OPPONENT'S EVIDENCE IN REPLY**

18. This consists of a witness statement by Thomas Patrick John Albertini dated 26 October 2004. Mr Albertini is a Trade Mark Attorney employed by Simmons & Simmons, the opponent's professional advisors in these proceedings.

19. Mr Albertini disputes the submissions of Mr Redman. He points out that the opponent has produced specific examples of its advertising in 2000 as well as 2001 and 2002, adding that the applicant has provided no evidence showing use of its mark.

20. Mr Albertini states that the opponent's BAT device has appeared on every bottle of rum sold in the UK since 1915. He refers to the IMPACT publications dated February 2002 (Exhibit L to Ms Newman's statement) which shows use of the BAT device which appears on every bottle of BACARDI rum shown in the UK. He adds that the publication shows 18.3 million 9 litre cases of BACARDI rum were sold in 1995 alone.

21. This completes my summary of the evidence filed in this case. I turn now to the decision.

#### **DECISION**

22. Firstly I go to the Section 5(2)(b) ground. Section 5(2) of the Act reads as follows:

"5(2) A trade mark shall not be registered if because -

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (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.”

23. An earlier right is defined in Section 6, the relevant parts state:

6.-(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark 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,”

24. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

25. It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG*;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon*

*Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc;*

- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG;*
- (g) account should be taken of the inherent characteristics of the mark, including the fact that it does not contain an element descriptive of the goods or services for which it is registered *Lloyd;*
- (h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG;*
- (i) further, 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; *Marca Mode CV v. Adidas AG;*
- (j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*

26. The reputation of a trade mark is an element to which importance may be attached in Section 5(2) considerations in that it may enhance the distinctive character of the mark at issue and widen the penumbra of protection for such a mark. The opponent has filed evidence relating to the use and promotion of its BAT device trade marks. While much of this evidence may be open to criticism, it nevertheless suffices, in my view, to demonstrate that at the relevant date for these proceedings (12 September 2001) the opponent had a reputation in its BAT device trade mark. While this device mark is used as a secondary trade mark – the primary mark being the word mark BACARDI – I am satisfied that its prominence, both on goods and in advertising is such that it would be well known to the relevant customer (the general public over 18 years of age) in relation to rum and alcoholic beverages containing rum. However, the evidence does not show that the opponent’s BAT device trade mark is well known in relation to non-alcoholic beverages.

27. The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was recently considered by David Kitchen QC sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become

household names. Accordingly, I believe the observations of Mr Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion.”

28. In the present case it seems to me that the opponent’s BAT device is highly distinctive in an inherent context. Bearing in mind this consideration it seems to me that the opponent’s mark, notwithstanding its reputation in relation to rum and alcoholic beverages containing rum, is entitled to a wide penumbra of protection both in relation to these goods and in relation to non-alcoholic beverages, goods for which it is also registered.

29. In essence the test under Section 5(2) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those differing elements, taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, in addition to making comparisons which take into account the actual use of the respective marks, I must compare the mark applied for and the opponent’s registration on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods within the respective specifications.

30. The applicant submits that its mark has been in use in the UK and that the opponent has not been able to provide examples of any instances of confusion. However, no evidence has been filed to show use of the applicant’s mark and in any event, the fact that no actual instances of confusion are demonstrated is not necessarily telling in relation to relative grounds – see *Compass Publishing BV v Compass Logistics Ltd* [2004] EWCA (Ch). As stated earlier, the comparisons must take into account notional, fair use of the respective marks across the full width of the relevant specifications.

31. In its evidence the applicant has also drawn attention to its UK Registration No 2208968 for the mark RED BAT. However, this is a different mark from that applied for and no evidence has been filed to demonstrate use of this mark. This amounts to no more than ‘state of the register’ information. I am not assisted by this evidence and I am guided on this point by the following comments of Mr Justice Jacob in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281:

“Both sides invite me to have regard to the state of the register. Some traders have registered marks consisting of or incorporating the word “Treat”. I do not think this assists the factual inquiry one way or the other, save perhaps to confirm that this is the sort of word in which traders would like a monopoly. In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the Registrar to put the marks concerned on the register. It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see eg *MADAM Trade Mark* and the same must

be true under the 1994 Act. I disregard the state of the register evidence.”

32. My decision involves a comparison of the applicant’s and opponent’s particular marks and must be made on its own merits.

33. I now turn to a comparison of the respective goods and trade marks of the parties. It seems to me that the opponent’s best case lies with its UK Registration No 2252634 and the Community Trade Mark Registration No 123265 – see Annex One but also reproduced below – for its BAT device solus:



UK Trade Mark No 2252634



European Community Trade Mark No 123265

34. The specifications of the above trade marks both include “Non-alcoholic beverages”, at large in Class 32 and therefore these specifications encompass identical goods to those of the marks applied for.

35. While the opponent has no reputation in these marks in relation to non-alcoholic beverages, I have found earlier that its BAT device is fully distinctive on an inherent basis – see paragraphs 26 to 28 of this decision. On balance I do not believe that the opponent’s case under Section 5(2) is any stronger in respect of its Class 33 registrations and for practical purposes I shall limit my comparisons of the applicant’s mark to those with the opponent’s earlier registrations UK No 2252634 and Community Trade Mark No 123265.

36. As mentioned above, the marks cover identical goods.

37. The mark applied for consists of the obvious dictionary words POWER and BAT and the device of a BAT on a striped background, together with the descriptive words “Energy Drink”. The opponent’s earlier registrations comprise the device of a BAT within a plain background and surrounded by a circle.

38. The guiding authorities make it clear that I must compare the marks as a whole and by reference to overall impression. However, as recognised in *Sabel BV v Puma AG* (mentioned earlier in this decision) in my comparison, reference will inevitably be made to the distinctiveness and dominance of individual elements. It is, of course, possible to over analyse marks and in doing so shift away from the real test which is

how the marks would be perceived by customers in the normal course and circumstances of trade. I must bear this in mind when making the comparisons.

39. The applicant has submitted that the opponent should have no monopoly in the device of a bat per se. I agree. The marks must be compared in totality, taking into account all elements – distinctive and non distinctive – within the marks, and the comparison must be on its own particular merits.

40. I go to a visual comparison of the respective marks. As mentioned above, the applicant's mark contains a number of additional elements to that of the opponent's marks. However, it seems to me that the dominant elements of the applicant's mark are the words POWER BAT and the device of a BAT. The words POWER BAT (in totality) and the device of a BAT are both fully distinctive and to my mind are the predominant and striking elements within the mark. Turning to the respective bat device, while a close side-by-side comparison reveals obvious difference eg the opponent's BAT has an extended tail, more detailed legs, less prominent ears and a different wing therefore, both the applicant's and opponent's bats are shown in flight, with outstretched wings and from the same angle. Taking into account that the average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he or she has kept in mind (*Lloyd Schuhfabrik Mayer & Co GmbH v Klijsen Hansel BV*) and that he/she does not analyse the various details of a mark (*Sabel BV v Puma AG*), it seems to me that there is a strong visual similarity between the applicant's and opponent's bat devices. As the BAT device is a prominent and distinctive element within the applicant's mark, re-inforced by the presence of the word BAT, it is my view that on an overall basis, there is similarity between the applicant's and opponent's trade marks in their totalities.

41. From an oral point of view, it seems to me that the applicant's mark will be described as POWER BAT while the opponent's mark will be described as BAT. Given that the word BAT is both dominant and distinctive, there is aural similarity between the marks as a whole, albeit mitigated to a noticeable degree by the presence of the word POWER in the applicant's mark.

42. Conceptually, both marks have reference to a bat. While the applicant's bat could be perceived as a "powerful" bat or a more "powerful" version of the bat product (stemming from the presence of the word POWER in its mark), there is obvious conceptual similarity overall given the distinctive nature of the bat concept in relation to the relevant goods. This could be relevant in "imperfect recollection" by the customer.

43. The judgements of the European Court of Justice mentioned earlier in this decision make it clear that in my comparisons, I must take into account the average customer for the goods, the category of goods in question and how they are marketed. The customers for "Non-alcoholic beverages, namely energy drinks" are members of the public. My own knowledge tells me that these goods are available in a wide variety of retail outlets (including supermarkets) where they can be self-selected and also in cafes, bars, restaurants and pubs. Both visual (self selection) and oral purchasing is relevant. Purchases are often made on an occasional basis or for the benefit of others eg for parties or in ordering a "round" of drinks. The product is not

particularly expensive or exclusive and on a relative basis is sometimes bought without a great deal of care and consideration, bearing in mind that “energy” drinks are often marketed and sold for general consumption or as mixers and are often sold adjacent to other soft drinks.

44. I now go to the global appreciation of the likelihood of confusion. The goods are identical. Notwithstanding that there are obvious differences in the marks, particularly on a side-by-side comparison I must take into account my earlier finding that the common and dominant element, the BAT devices are very similar and that the opponent’s bat device is inherently fully distinctive and deserving of a wide penumbra of protection. In their totalities the marks are visually, aurally and conceptually similar. Bearing in mind that the customer for the goods is the public at large, it is my view that the applicant’s mark would capture the distinctiveness of the opponent’s BAT device trade mark in notional, fair use in the market place and that there is a likelihood of confusion to the relevant public.

45. In reaching a decision in relation to the likelihood of confusion I have particularly borne in mind the following comments of the European Court of Justice in *Canon*:

“Accordingly, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive (see *Sabel*).

46. The opposition under Section 5(2)(b) of the Act is successful.

47. As I have found for the opponent under Section 5(2) of the Act, I have no need to consider the grounds of opposition raised under Section 5(4)(a) and Section 5(3).

## **COSTS**

48. The opponent is entitled to a contribution towards their costs and I therefore order the applicant to pay them the sum of £1,300 which takes into account that no hearing took place on this case. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of the case if any appeal against this decision is unsuccessful.

**Dated this 8<sup>th</sup> day of February 2005**

**J MacGILLIVRAY  
For the Registrar  
the Comptroller-General**

**The Annexes are not attached**