

O/070/12

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 2368961 IN THE NAME OF STUTE
NAHRUNGSMITTELWERKE GMBH & CO. KG IN RESPECT OF THE
FOLLOWING SERIES OF TWO TRADE MARKS IN CLASS 32:**



**AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO
UNDER NO. 83972 BY RED BULL GMBH**

AND

**IN THE MATTER OF APPLICATION NO. 2528948
BY STUTE NAHRUNGSMITTELWERKE GMBH & CO. KG TO REGISTER THE
FOLLOWING SERIES OF TWO TRADE MARKS IN CLASS 32:**



**AND IN THE MATTER OF OPPOSITION
THERETO UNDER NO. 100384
BY RED BULL GMBH**

BACKGROUND

1) Stute Nahrungsmittelwerke GmbH & Co. KG (“Stute”) is the proprietor of registration 2368961 (“the registration”). It applied for the registration on 23 July 2004 and the registration procedure was completed on 11 March 2005. The registration covers the following goods in Class 32:

Non-alcoholic beverages; fruit and vegetable drinks; fruit and vegetable juices; fruit nectars; fruit and vegetable based beverages; isotonic beverages; sports and energy drinks; syrups; concentrates and other preparations for making beverages.

2) On 15 October 2009, Stute also applied under the Trade Marks Act 1994 for registration of a further series of two marks given application number 2528948, in respect of the following Class 32 goods:

Fruit and vegetable drinks; fruit and vegetable juices; fruit nectars; fruit and vegetable based beverages; isotonic beverages; sports and energy drinks; syrups; concentrates and other preparations for making beverages.

3) The application was published in the Trade Mark Journal on 5 February 2010.

4) On 21 January 2011 and 19 February 2010 respectively, Red Bull GmbH (“RB”) applied for Stute’s registration to be declared invalid and also filed notice of opposition against its outstanding application for registration.

5) In both the invalidation and opposition action, the grounds are based upon Section 5(2)(b) and Section 5(3) of the Trade marks Act 1994 (“the Act”), namely that Stute’s marks are similar to various earlier marks in the name of RB and in respect of identical goods. It contends that this leads to a likelihood of confusion. RB claims a reputation in respect of a number of its earlier marks and claims that there is the necessary link in the minds of the public, particularly bearing in mind the “family of marks” established by RB. It claims that, as a result of this, Stute’s marks will take unfair advantage of, or be detrimental to, the distinctive character and repute of RB’s earlier marks.

6) The relevant details of RB’s earlier marks are detailed below:

Mark and relevant details	Class 32 goods relied upon	Relied upon for grounds
Relied upon in both sets of proceedings		
CTM*1187301 RED Registration: 14 February	<i>[...] other non-alcoholic drinks, in particular energy drinks and isotonic (hyper and hypotonic) drinks (for consumption or use by athletes)[...] [other than beers,</i>	s.5(2)(b) and s.5(3)

2005	mineral & aerated waters]	
2238189 RED-X Registration: 10 May 2002	[...] other non-alcoholic drinks [...] [other than beers, mineral & aerated waters]	s.5(2)(b) only
Relied upon in invalidation action only		
2306424 RED BULL Registration: 27 December 2002	<i>Non alcoholic beverages including refreshing drinks, energy drinks, whey beverages and isotonic (hyper-and hypotonic) drinks [...]</i>	s.5(2)(b) and s.5(3)
Relied upon in opposition action only		
IR^961854 RED BULL UK designation: 19 March 2008	<i>Non alcoholic beverages including refreshing drinks, energy drinks, whey beverages, isotonic, hypertonic and hypotonic drinks (for use and/or as required by athletes); beer, malt beer, wheat beer, porter, ale, stout and lager; non alcoholic malt beverages; mineral water and aerated waters; fruit drinks and fruit juices; syrups, essences and other preparations for making beverages as well as effervescent (sherbet) tablets and effervescent powders for drinks and non-alcoholic cocktails.</i>	s.5(2)(b) and s.5(3)
2473036  Registration: 18 April 2008	<i>Non-alcoholic drinks; syrups and other preparations for making non-alcoholic drinks</i>	s.5(2)(b) only

* Community Trade Mark; ^ International Registration

7) Stute subsequently filed counterstatements denying RB's claims. It has put RB to proof of use in respect to its earlier marks that are subject to the proof of use provisions (I will discuss this in more detail later), namely, 2306424 RED BULL, relied upon in the invalidation action, and CTM1187301 RED and 2238189 RED-X, relied upon in both the invalidation and opposition actions.

8) The two sets of proceedings were subsequently consolidated.

9) Both sides filed evidence in the proceedings and both sides ask for an award of costs. The matter came to be heard on 5 January 2012 when RB was represented by Mr Benet Brandreth of Counsel, instructed by Keltie, RB's representatives in these proceedings and Stute was represented by Mr Malcolm Chapple of Counsel, instructed by Dr Walther Wolff & Co., Stute's representatives.

RB's Evidence

10) This takes the form of numerous witness statements by the following individuals: Ms Jennifer Powers, Intellectual Property Counsel for RB; Ms Jill Ardagh, Director General of The British Soft Drinks Association Ltd ("The BSDA"); Mr Malcolm Slatcher, Director of Villa Drinks Limited; Ms Joanna Lucas Munce, Registered Trade Mark Attorney at Keltie,; Mr Andrew Allan, Manager – Carnets of the London Chamber of Commerce; Mr Roderick P Neff, a self-employed professional translator; and two from Dr Volker Viechtbauer, General Counsel for RB.

11) The main points that emerge from this evidence can be summarised as follows:

12) *Proof of use and reputation of RB's earlier mark 2306424 RED BULL*

- The RED BULL mark has been used in the UK, in respect of energy drinks, since 1993;
- By 2009, 370 million units a year were being sold in the UK;
- In 2009, RED BULL had 57.3% of the market share for energy drinks in the UK;
- Spend in respect of TV, radio and cinema promotion in the UK has risen steadily to €14.7 million by 2009;
- Marketing expenses relating to sales folders, consumer information leaflets, retail displays, crowners, flyers, packaging material, sampling cars, uniforms, tents and other materials reached €40 million in the UK in 2009;
- RED BULL was ranked the 17th most valuable "brand corporation" and 11th most valuable single brand in Europe in 2009. It is the market leader in the energy drinks field in the UK and RED BULL was ranked 28th of the top 100 Grocery Brands in the UK in 2008 and 2009.

13) **Proof of use and reputation in respect of RB earlier mark 2238189 RED-X**

- The mark was first used in the UK in March 2008 in respect of energy drinks and sold through an independent wholesaler *TJ Morris*. It was also available to purchase through the *Villa Soft Drinks* distribution centre until November 2009 when all rights and interest in the mark were transferred to RB. The remaining 60,000 units of stock remaining after the transfer were sold by *Villa Soft Drinks* by the end of that month;
- The mark was used on 500ml and 1 litre bottles and appears on *Villa Soft Drinks*' price list dated January 2009 in plain words and on bottles. An example of the mark in use is shown in one of *Villa Soft Drinks*' advertisements, below:



- Total sales of the RED X energy drink between March 2008 and November 2009 amounted to £65,000.

14) **Proof of use, reputation and other evidence in respect of RB's earlier mark CTM1187301 RED**

- RB developed an energy drink called THE RED EDITION. It has been produced in Austria, in a plain red coloured can, since 28 October 2010

- when 28,050 cans were produced, with the first deliveries taking place to retailers in Austria. Turnover figures relating to Austria and Spain amount to nearly €80,000 in 2010 and €452,000 up to May 2011;
- A market study conducted by GfK in the UK in 2009 indicated that 45% of the general public associated the word RED with RED BULL in relation to energy drinks. Similar results were also achieved in Portugal, Spain, Austria, Netherlands and Germany;
 - Ms Ardagh states that the term RED BULL, the word RED, the word BULL and the “device of two aggressive bulls in front of a sun” are reputed and well known throughout the industry;
 - A Google search for “red energy drink”, conducted on 21 December 2010 and limited to pages from the UK, brought back 322,000 results. The first page of these “hits” is provided and all ten relate to RB’s RED BULL energy drink;
 - RB contend that the evidence is sufficient to demonstrate that RED is a mark included in its composite mark RED BULL.

Stute’s Evidence

15) This takes the form of two witness statements. The first is by Laurence Julian Hybs, Managing Director of Stute Foods Limited, a company set up to import Stute’s goods into the UK and which is 50% owned by Ewald D Stute of Stute. The second is by Lindsey Gray, Technical Assistant at Dr Wolff & Co.

16) The relevant points to emerge from this evidence are:

- The RED Z energy drink was launched in the UK in October 2002 and has been on sale continuously since then. During this time, Mr Hybs has not been aware of any confusion with RB’s products. Twelve retailers or wholesalers were supplied with the RED Z product in 2002/3 including *T J Morris*. A further seventeen traders were supplied from 2004 to 2007;
- RED Z energy drinks have been sold alongside RED BULL at *T J Morris* as well as other outlets such as *Spar* shops
- RED Z energy drink is packaged in 250ml cans and sold in cases of 15 cans. Sales have fluctuated between 50,000 and 92,000 cases between 2003 and 2008 before decreasing to about 48,000 in 2009 and 29,000 in 2010;
- An Internet search, limited to UK pages, for energy drinks on sale in the past or in July 2011 and containing the word RED in their name reveals products named RED ROOSTER and RED DEVIL, the latter being available in *Tesco* stores. A press release dated 22 August 2002 suggests that the RED DEVIL energy drink was already well established at that time with a 2% share of the energy drinks market in the UK and Ireland. A further press release dated 8 September 2000 indicates that the RED ROOSTER brand was launched in March 2000;

- Contrary to the *Google* search exhibited by RB, search results for the words “red” plus “energy” plus “drink” are exhibited showing that “hits” 13 and 14 of 2,730,000 relate to RED E and RED KICK energy drinks.

RB’s Evidence in reply

17) This takes the form of further witness statements by Ms Ardagh and Ms Munce as well as witness statements by Davor Antonic-McKinley, Head of the Export Documentation Team at the London Chamber of Commerce and Industry (“LCCI”) and manager of Mr Allan who made a statement in respect of RB’s evidence-in-chief. The final witness statement is by Richard Jackson, co-founder, Chief Marketing Officer and CEO of Aroq Ltd, publishers of the website www.just-drinks.com. The relevant points from these statements are summarised below:

- Ms Ardagh confirms that in her first witness statement, she gave full consideration to the nature of the soft drinks market and included giving consideration to the use of the term RED by other traders in the field;
- Mr Antonic-McKinley confirms that Mr Allan was fully authorised to make his statement on behalf of the LCCI;
- www.just-drinks.com is the beverage industry’s leading online resource and Mr Jackson states that RB is the market leader in the energy drinks sector. Aroq Ltd’s website’s Market Research Report tool reveals 62 published reports featuring RB and its products and its website features 274 articles regarding RB, dating back to June 2000;
- Online searches of the websites of *Tesco* and *Asda* in respect of energy drinks failed to find the RED DEVIL product referred to in Sute’s evidence, but rather a search for the word RED only identified RB’s product.

DECISION

The legislation

18) The case has proceeded to final determination on the basis of Sections 5(2) (b) and 5(3) of the Act, with such grounds being relevant in the invalidation proceedings in view of the provisions of Section 47(1) of the Act. The relevant parts of Section 47 of the Act read as follows:

“**47.** - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a

distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

...

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

19) The following parts of the Act are also relevant in the invalidation proceedings:

47. – ...

(2A)* But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) within the period of five years ending with the date of the application for the declaration 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) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

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

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

(2D) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

** Note: Sub-sections 2A to 2E are an addition to the original Act, by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004 (SI 2004/946) which came into force 5th May 2004.*

20) The Trade Marks (Proof of Use, etc) Regulations 2004 also apply in respect of the opposition proceedings. The provision reads as follows:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

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

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

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

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

(3) The use conditions are met if –

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

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

(4) For these purposes –

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

...

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

Proof of Use

21) RB's RED X mark, by virtue of the requirements of Section 6A and Section 47(2A) (a) of the Act, is an earlier mark that completed its registration procedure more than five years ending with both the date of publication of Stute's 2528948 marks and the date of the application for the declaration of invalidity of Stute's 2368961 marks. Consequently, the marks are subject to the proof of use provisions in both the opposition and the invalidation actions. However, it was conceded at the hearing by Mr Chapple (reasonably so in my view), that the evidence of use submitted by RB in respect of this earlier mark was sufficient to demonstrate use in the UK within the relevant periods in respect of energy drinks.

22) Similarly, in light of Mr Chapple's acknowledgment that the mark RED BULL has a long standing and ongoing reputation in the UK in respect of energy drinks, then the proof of use required in the invalidation action has also been accepted by Mr Chapple.

23) RB was also put to proof of use in respect of one further mark, insofar as it relied upon the mark in the invalidation action. This is CTM1187301 RED. At the hearing, Mr Brandreth did not pursue this point to any extent and I do not intend to consider the point further.

Section 5(2)(b)

24) Section 5(2)(b) reads:

“(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.”

25) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union (CJEU) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 723, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks*

and Designs) (OHIM) C-334/05 P (LIMONCELLO). 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) in determining whether similarity between the goods or services covered by two marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,
- (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 and Adidas Benelux BV*,
- (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.*

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM (LIMONCELLO)*

Comparison of goods

26) It is common ground between the parties that the respective goods are identical. Applying the guidance of the General Court (“GC”) in *Gérard Meric v OHIM*, T-133/05 that goods listed in one party’s specification are included in a more general category listed in the other’s specification, or vice versa, then it is self evident that this is so in respect of all of Stute’s goods except *concentrates and other preparations for making beverages*. It could be argued that as these are preparations for making beverages and not the beverages themselves, they are not identical. However, in light of the views of the parties, I make no issue of this and comment that, even if they are not identical, they are highly similar.

The average consumer and nature of the purchasing act

27) As matters must be judged through the eyes of the average consumer (*Sabel BV v.Puma AG*, paragraph 23) it is important that I assess who the average consumer is for the goods at issue. As the respective goods are identical (or highly similar) it naturally follows that the respective average consumer will be the same.

28) The average consumer of the relevant goods, namely non-alcoholic beverages, will be the general public, who will be reasonably, but not excessively circumspect. They are purchased mainly either by ordering over a bar or selecting from a shop shelf where the purchaser will be relatively discerning, but as the goods concerned are relatively low value consumer goods, this discernment will not be of the highest level. Depending on in what environment the goods are bought, the purchase will either be primarily by aural reference (in a bar, for example) or by visual reference (when selecting from a shop shelf, for example).

Comparison of marks

29) It is common ground that the differences between Stute's four marks have little bearing on the outcome of both sets of proceedings. Therefore, for convenience, I will restrict my considerations to the black and white version of its "bubbles" mark in application 2528948. Further, at the hearing both sides agreed that RB's RED X mark represented its best case when considering similarity of marks.

30) As such, I will limit my comparison to the following marks:

RB's mark	Stute's mark
RED-X	

31) When assessing the extent of similarity between the respective marks, I must do so with reference to their visual, aural and conceptual similarities bearing in mind their distinctive and dominant components (*Sabel BV v. Puma AG*, para 23). RB's mark consists of the two elements RED and X separated by a hyphen. The word RED is the dominant and distinctive element due to its greater length than the single letter X and by virtue of being the first part of the mark. Nevertheless, the letter X is far from negligible and requires careful consideration when assessing the respective marks as a whole. Stute's mark also contains the same element RED appearing above the letter Z that is represented in a larger typeface. Both elements appear within a circle and the impression is that the word and letter are being viewed through convex lens. This has the effect of slightly increasing the prominence of the letter Z in the mark resulting in the RED Z elements, combined, being the dominant and distinctive element. Additional elements are also present such as the representation of bubbles and some unidentifiable background marking. These additional elements are negligible.

32) Having established the dominant and distinctive elements of the respective marks, I go on to consider the level of similarity. From a visual perspective, the shared word RED is an element of obvious similarity. Both marks also contain an additional single letter, even though this letter is different. Nonetheless, there is some similarity arising from the appearance of a single letter in both marks and from the fact that the single letter is presented as coming after the word RED (albeit one being on the same line as the word RED and the other appearing under the word). The additional elements present in Stute's mark provide visual

differences as the same elements are missing in RB's mark. Taking all of this into account, I conclude that the respective marks share a moderate to moderately high level of visual similarity.

33) From an aural perspective, RB's mark will be said as RED X, Stute's mark as RED Z. No other elements will be pronounced. Once again, it is obvious that the respective marks share the same RED element, being a significant point of similarity as the second aural element of each mark is a single letter. These single letter elements are, nevertheless, different thus introducing an element of dissimilarity. Taking all of this into account, I conclude that the respective marks share a moderately high level of aural similarity.

34) Conceptually, RB's mark will be understood as the word RED being used as an adjective to describe the colour of the following letter X. Despite the additional material present in Stute's mark, the nature of the concept in its mark will be the same, namely a red-coloured letter, in this case, the letter Z. This leads me to conclude the respective marks share a moderately high level of conceptual similarity.

35) Factoring all these findings into the overall comparison of the marks, I conclude that they share a moderately high level of similarity overall.

Distinctive character of the earlier trade mark

36) I must consider the distinctive character of the earlier mark because the more distinctive it is, either by inherent nature or by use the greater the likelihood of confusion (*Sabel BV v Puma AG* [1998] RPC 199). The distinctive character of the earlier mark must be assessed by reference to the goods for which it is registered and by reference to the way it is perceived by the relevant public (*Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91). With this guidance in mind, whilst both the word RED and the letter X will be understood by the consumer as a colour and a letter of the alphabet respectively, when combined they have no obvious meaning in respect of the goods. Consequently, the mark has a good level of inherent distinctive character being not low, as is the case with marks that allude to a characteristic of the goods, or high as in the case of made up words.

37) I must also consider the effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act. The evidence illustrates that RED X has been used, but only over a period of eleven months in 2009 and then only in respect of total sales in the region of £65,000. Such duration and scale of use is insufficient to demonstrate an enhanced distinctive character. Nevertheless, this finding will have no, or at best, a negligible impact upon the final determination of these grounds.

Likelihood of confusion

38) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27).

39) As part of this global approach, RB submit that I should take account of its family of marks used in the UK all involving use of the word RED. The GC has provided the following guidance on this issue in *Miguel Torres SA v OHIM*, Case T-287/06:

“81 However, according to the above case-law, the likelihood of confusion attaching to the existence of a family of earlier marks can be pleaded only if both of two conditions are satisfied. First, the earlier marks forming part of the ‘family’ or ‘series’ must be present on the market. Secondly, the trade mark applied for must not only be similar to the marks belonging to the series, but also display characteristics capable of associating it with the series. That might not be the case, for example, where the element common to the earlier serial marks is used in the trade mark applied for either in a different position from that in which it usually appears in the marks belonging to the series or with a different semantic content (BAINBRIDGE, paragraphs 125 to 127).”

40) Taking account of this guidance, it is clear to me that RB’s claim falls at the first hurdle. The evidence illustrates that only its marks RED BULL and RED X have been used in UK and the latter only by a third party who sold off its existing stock within weeks of assigning the mark to RB, thus there was no or very little use whereby a consumer could associate it with RB. Such a finding is not disturbed if the consumer associates the word RED with RED BULL. Such an association goes to a different issue and not to the existence, or otherwise, of a family of marks being present on the market. Consequently, I reject this argument.

41) I have found that the respective marks share a moderate to moderately high level of visual similarity, a moderately high level of aural similarity and conceptual similarity. I have also found that the RB’s mark has a good level of distinctive character. It is common ground between the parties that the respective goods are identical. The average consumer is the general public and the nature of the purchasing act involves some discernment, but this will not be of the highest level. The purchase will either be primarily aural (in a bar, for example) or visual (when selecting from a shop shelf, for example).

42) When taking all of the above into account, I find that the differences between the marks are not sufficient to avoid a likelihood of confusion. The letters X and Z respectively are both less frequently used letters appearing at the end of the

alphabet and as such may have, in the minds of the consumer, some loose association with each other. Such an association is likely to lead the consumer, particularly when imperfect recollection is taken into account, into believing the text elements of the respective marks are the same. I have already found that the “bubbles” device element present in Stute’s mark is negligible. Even if I am wrong on this point, their presence in Stute’s mark is insufficient to change the overall impression to the extent that it would overcome the likelihood of confusion. Further, the convex lens effect created upon the text element by the circular device does not create a totality that will lead the consumer to attach a different trade origin significance to the marks. It will merely be viewed as a particular get-up used on the label of the goods to identify the same trader’s goods as are identified by RB’s word only mark. Therefore, when undertaking the global assessment, whilst some of the visual differences between the marks will not go unnoticed the consumer is likely to believe that the goods identified by the marks originate from the same or linked undertakings. Even if I am wrong in respect to the consumer failing to recall that the single letter element is different, they are likely, nonetheless, to still assume that the respective parties’ goods originate from the same undertaking with one merely being a sister product of the other.

43) Therefore, when considering normal and fair use, with regard for the notional and average consumer, I find that there is a likelihood of confusion in respect of all of Stute’s goods.

Concurrent Use

44) Having found that a prima facie likelihood of confusion exists, the only factor that can save Stute’s marks is the existence and effect of concurrent use. Stute has claimed continuous use of its mark in the UK since October 2002.

45) I am mindful that I must be satisfied that the parties have traded in circumstances that suggest consumers have been exposed to the respective marks and have been able to differentiate between them without confusion as to trade origin (see to that effect the Court of Appeal in *The European Ltd v The Economist Newspaper Ltd* [1998] FSR 283 at page 291, Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 at 809 and the Court of Appeal in *Phones 4U Ltd v Phone 4u. co. uk Internet Ltd* [2007] RPC 5 at paragraphs 42 to 45 and Alan Steinfield QC, sitting as a deputy judge of the High Court, in *Fiorelli Trade Mark* [2007] RPC 18)

46) Therefore, for concurrent use to be of assistance to Stute, I must be satisfied that the effect of concurrent trading has been that the relevant public has shown itself able in fact to distinguish between goods bearing the marks in question i.e. without confusing them as to trade origin. That implies that both parties are targeting an approximately similar, or at least overlapping, audience and that the use by the parties in nature, extent and duration of trade has been sufficient to

satisfy me that any apparent capacity for confusion has been adequately tested and found not to exist.

47) When I consider the extent and duration of the use of the mark RED X by RB and the mark's previous proprietor, the evidence only illustrates that it was used for a short period of time (eleven months) and the extent of this use was relatively small (£65000 in the final nine months that it was sold). This is particularly so when viewed in the context of what is obviously a market of some considerable size. Consequently, despite some evidence suggesting the competing goods may have been sold side-by-side of some shop shelves, I find that the use of the respective marks has been such that the capacity for confusion has not been adequately tested and the existence of concurrent use does not assist Stute.

48) Therefore, my *prima facie* finding regarding likelihood of confusion remains undisturbed. Having made such a finding, it was accepted by the parties that it should extend to all four of Stute's marks. Consequently, RB's opposition and application for a declaration of invalidity based upon Section 5(2)(b) of the Act are successful in their entirety.

Section 5(3)

49) In light of above, it is not necessary for me to consider the grounds based upon Section 5(3).

COSTS

50) The opposition and invalidation actions having been successful, Red Bull GmbH is entitled to a contribution towards its costs. I take account of the fact that a hearing has taken place, that written submissions were provided by both sides and that both sides filed evidence of use. I award costs on the following basis:

Preparing Notice of Opposition and Application for Invalidation and considering other side's statements	£800
Preparing and filing evidence and considering other side's evidence	£800
Preparing for, and attending hearing	£700
TOTAL	£2300

51) I order Stute Nahrungsmittelwerke GmbH & Co. KG to pay Red Bull GmbH the sum of £2300. 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 this case if any appeal against this decision is unsuccessful.

Dated this 20th day of February 2012

**Mark Bryant
For the Registrar,
the Comptroller-General**