

**O/0774/23**

**CONSOLIDATED PROCEEDINGS**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION**

**NOS. 3641454, 3641440 & 3641451**

**BY**

**MATE MATE ASIA PTE. LTD**

**AND**



**IN THE MATTER OF THE OPPOSITIONS THERETO**

**UNDER NOS. 427621, 427622 & 429872 BY**

**THOMAS HENRY GMBH**

## BACKGROUND AND PLEADINGS

1. On 14 May 2021, Mate Mate Asia Pte. Ltd (“the applicant”) applied to register the following three marks as trade marks in the United Kingdom:

Mark	Goods and Services
Application No. 3641454 (“the 454 mark”)  	<u>Class 36</u> <i>Financial exchange of virtual currency; Currency exchange services; Electronic transfer of virtual currencies; Financial advice and consultancy services; Issue of tokens of value.</i>
Application No. 3641440 (“the 440 mark”)  	<u>Class 32</u> <i>Energy drinks; Non-alcoholic drinks; Non-alcoholic beverages with tea flavor; Sparkling water; Carbonated non-alcoholic drinks.</i>
Application No. 3641451 (“the 451 mark”)  MATE MATE	<u>Class 32</u> <i>Energy drinks; Non-alcoholic drinks; Non-alcoholic beverages with tea flavor; Sparkling water; Carbonated non-alcoholic drinks.</i>

2. On 18 October 2021, the 454 and 440 applications were opposed by Thomas Henry GmbH (“the opponent”). The opponent opposed the 451 mark on 4 January 2022. The oppositions are based on sections 5(2)(b), 5(6) and 3(6) of the Trade Marks Act 1994 (“the Act”). In addition, the oppositions against the 454 and 440 marks are also based on section 5(4)(b) of the Act.

3. Under section 5(2)(b), the opponent relies on UKTM No. 918022875 (“the earlier figurative mark”), which is shown below:



4. The earlier figurative mark is a comparable mark, based on the opponent’s pre-existing EUTM (No. 18022875). It has a filing date of 14 February 2019 and a registration date of 5 July 2019 and is registered for the following goods and services:

Class 25

*Clothing, footwear, headgear, In particular shirts, Trousers, Hats, Caps [headwear], Jackets, caps, Sweaters, Neck scarves [mufflers], Sweaters, T-shirts.*

Class 30

*Coffee, tea, cocoa and artificial coffee; Tea-based beverages; Mate [tea]; Yerba mate; Tablets (non-medicated -) made of glucose with a caffeine base.*

Class 32

*Beers; Mineral water [beverages]; Aerated water; Fruit drinks; Juices; Syrups for making beverages; Preparations for making beverages; Non-alcoholic beverages; Non-alcoholic beverages, in particular being based on mate; Cola; Caffeinated beverages; Energy drinks containing caffeine; Energy drinks; Energy drinks [not for medical purposes]; Fermented non-alcoholic beverages.*

Class 33

*Alcoholic beverages (except beers); Alcoholic energy drinks; Fermented spirit.*

Class 35

*Advertising; Advertising, marketing and promotional services; Business management, business administration, office functions; Commercial information in relation to non-alcoholic beverages; Commercial information in relation to alcoholic beverages; Presentation of goods and services in retail outlets and online shops; Operation of retail outlets and online shops, namely negotiation and concluding of contracts regarding the*

*purchase and sale of goods and the use of services (for others); Operating online shops, electronic mail, namely order placement, delivery services and invoice management; Display and demonstration of goods; Collection of goods, for others, for presentation purposes; Presentation of goods (for others), for sales purposes; Import and export services; Ordering services; Procurement services for others, and retailing, in particular via the internet, of the following goods: clothing, footwear, headgear, shirts, trousers, hats, caps, jackets (clothing), caps (headwear), jumpers (pullover), neck scarves (mufflers), sweaters, T-shirts; Procurement services for others, and retailing, in particular via the internet, of the following goods: coffee, tea, cocoa and artificial coffee; Procurement services for others, and retailing, in particular via the internet, of the following goods: tea beverages, mate tea, yerba-mate tea, non-medicinal caffeine-based dragées made from glucose; Procurement services for others, and retailing, in particular via the internet, of the following goods: beers, mineral water, aerated water; Procurement services for others, and retailing, in particular via the internet, of the following goods: fruit beverages, fruit juices, syrups for making beverages, preparations for making beverages; Procurement services for others, and retailing, in particular via the internet, of the following goods: non-alcoholic beverages, in particular based on mate; Procurement services for others, and retailing, in particular via the internet, of the following goods: non-alcoholic caffeinated beverages, caffeinated beverages; Procurement services for others, and retailing, in particular via the internet, of the following goods: caffeinated energy drinks, energy drinks, energy drinks, other than for medical purposes, fermented non-alcoholic beverages; Procurement services for others, and retailing, in particular via the internet, of the following goods: alcoholic beverages, except beers, alcoholic energy drinks, fermented spirits (beverages).*

#### Class 39

*Transport; Packaging and storage of goods; Services in connection with the transport of alcoholic beverages; Services in connection with the transport of non-alcoholic beverages; Storage of alcoholic drinks; Storage of non-alcoholic beverages; Consultancy and information in relation to the aforesaid services, included in this class.*

#### Class 43

*Services for providing food and drink; Providing temporary accommodation.*

5. In the oppositions against the 440 and 451 marks, the opponent is relying on the goods and services in Classes 30, 32, 33, 35, 39 and 43. In the opposition against the

454 mark, the opponent relies only on the services in Class 35. The earlier figurative mark qualifies as an earlier mark under section 6 of the Act by virtue of its earlier filing date. As it completed its registration process less than five years before the application date of the contested marks, it is not subject to the use requirements of section 6A and the opponent may rely on all the goods and services for which the mark stands registered.

6. The opponent claims that the 454 and 440 marks are similar to the earlier figurative mark as they both incorporate a double “M”, one of which is placed below the other, in the same typeface, and two stars. In addition, the letters share the same style of shadowing. It also claims that the goods and services are identical or similar, and so there is a likelihood of confusion.

7. In the case of the opposition against the 451 mark, the opponent claims that the marks coincide in their verbal elements (“MATE MATE”) and the only differentiating factor is the stylisation. Consequently, they are aurally and conceptually identical and visually highly similar. It also claims that the goods are similar and therefore there is a likelihood of confusion.

8. Under section 3(6), the opponent claims that the applicant is a company that was set up to market and distribute the opponent’s products in particular territories, including China, Japan, South Korea, Singapore and India, and that the applicant has breached the terms of the agreement between the parties, which was terminated by the opponent on 24 June 2021, i.e. after the date on which the contested applications were made. It claims that the applications were made with the intention of undermining or misappropriating the opponent’s mark and to block the opponent from filing applications for it.

9. As the agreement was still in force, the opponent claims that the applicant was at the time responsible for distributing and marketing the opponent’s products and so was an agent or representative of the opponent. The applications were made without the opponent’s consent and so the opponent claims they offend against section 5(6) of the Act.

10. Under section 5(4)(b), the opponent claims that the device used in the 454 and 440 marks was designed in April 2018 by a freelance Art Director, Mr Denis Held, engaged by the opponent's predecessor in title pursuant to a contract which gives the opponent the exclusive right to use any works created under it by Mr Held. It claims that Mr Held is, and was at the time of the creation of the device, domiciled in Germany and that the device was first published in Berlin in 2019 on bottle tops, and so the device qualifies for copyright protection. No consent had been given for the applicant to use the device and such use would constitute an infringement of copyright which is actionable by the opponent as the exclusive licensee pursuant to section 101 of the Copyright, Designs and Patents Act 1988 ("the CDPA").

11. The applicant filed defences against all three oppositions and denied the claims made.

12. Neither party made written submissions, beyond what has been filed with the pleadings.

13. In these proceedings, the opponent was initially represented by Brown Rudnick LLP, and later by Morrison & Foerster (UK) LLP. The applicant is represented by Margareto Intellectual Property.

## **EVIDENCE**

14. Only the opponent filed evidence. This comes in the form of a witness statement from Sigrid Bachert, who is one of the two managing directors of the opponent. Her witness statement is dated 11 October 2022 and goes to the relationship between the two parties and the applicant's conduct. It is accompanied by 22 exhibits. I shall not summarise these exhibits here, but note that Ms Bachert states that her company has been selling drinks under the sign "MATE MATE" since at least 2015 and since 2016 in the UK. The evidence in her statement has not been challenged by the applicant in evidence or submissions.

15. The company name Thomas Henry Holding GmbH & Co KG appears on several of the documents that have been adduced in evidence. Ms Bachert states that the

opponent originally traded as Thomas Henry GmbH & Co and then Thomas Henry Holding GmbH & Co KG. In December 2020, following a company reorganisation, all the intellectual property rights of this company were transferred to Thomas Henry GmbH.

16. There is also a witness statement from Dr Oliver Spieker, who has translated two of the exhibits. He confirms that he is a native German speaker and is fluent in English. His witness statement is dated 17 November 2022 and is accompanied by the translations.

## **DECISION**

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

17. Section 5(2) of the Act is as follows:

“A trade mark shall not be registered if because –

...

(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.”

18. In considering the oppositions under this section, I am guided by the following principles, gleaned from the decisions of the Court of Justice of the European Union (“CJEU”) 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 BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (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-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):<sup>1</sup>

- 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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their 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;

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<sup>1</sup> 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 refer to the trade mark case law of EU courts, although the UK has left the EU.

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 the earlier mark to mind, 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; and

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

### ***Comparison of goods and services***

19. It is settled case law that I must make my comparison of the goods and services on the basis of all relevant factors. These include the nature of the goods and services, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. Goods and services are complementary when

“... 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 that the responsibility for those goods lies with the same undertaking.”<sup>2</sup>

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<sup>2</sup> *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82.

*The 454 mark*

20. The services for which the applicant seeks registration of this mark are as follows:

*Class 36*

*Financial exchange of virtual currency; Currency exchange services; Electronic transfer of virtual currencies; Financial advice and consultancy services; Issue of tokens of value.*

21. The opponent relies on its services in Class 35. It submits that the services are similar and, as examples, argues that contested *Financial advice and consultancy* is similar to its *Invoice management* services, and the contested *Currency exchange services* are similar to *Presentation of goods and services in retail outlets and online shops; Operation of retail outlets and online shops, namely negotiation and concluding of contracts regarding the purchase and sale of goods and the use of services (for others)* because:

“... currency exchange services are often offered in retail stores, and ... such services therefore will fall within the scope of the Earlier Mark’s broad registrations for the operation of retail outlets and the presentation of services within the same.”<sup>3</sup>

22. This is the extent of any submissions made on the similarity between these services.

23. The approach to construing terms in specifications has been set out in the following case law. 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*

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<sup>3</sup> Statement of grounds, paragraph 17.

*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.”<sup>4</sup>

24. In *Sky Plc & Ors v Skykick UK Ltd & Anor* [2020] EWHC 990 (Ch), Arnold LJ said:

“...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.”<sup>5</sup>

25. The applicant’s services are all forms of financial or monetary services, while the opponent’s are business management services, advertising, marketing and promotional services, and procurement and retail services. The purposes of these services are different and they will be supplied through different trade channels. Even

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<sup>4</sup> Paragraph 12.

<sup>5</sup> Paragraph 56.

were I to accept that, as submitted by the opponent, currency exchange services can be found in the same location as retail services, their distribution channels up to that point would be different. Their method of use and nature are different. I cannot see that they are in competition or complementary. I find that the applicant's services are dissimilar to the opponent's services.

26. Section 5(2)(b) of the Act requires the services to be either identical or similar. As I have found them to be dissimilar, the opposition under this section against the 454 mark fails.

#### *The 440 and 451 marks*

27. The goods for which the applicant seeks registration of these marks are as follows:

##### *Class 32*

*Energy drinks; Non-alcoholic drinks; Non-alcoholic beverages with tea flavor; Sparkling water; Carbonated non-alcoholic drinks.*

28. The terms *Energy drinks* and *Non-alcoholic drinks* are either included in both specifications or appear in synonymous terms. They are identical.

29. Goods may also be considered to be identical where the contested goods are included in a broader category covered by the earlier mark, or vice versa: see *Gérard Meric v OHIM*, Case T-133/05, paragraph 29. The contested *Non-alcoholic beverages with tea flavor*, *Sparkling water* and *Carbonated non-alcoholic drinks* are all included in the opponent's *Non-alcoholic beverages* and so are identical.

#### ***Average consumer and the purchasing process***

30. In *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors* [2014] EWHC 439 (Ch), Birss J (as he then was) described the average consumer in these terms:

“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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”<sup>6</sup>

31. The applicant submits that the average consumer would be a member of the public. I agree.

32. The goods are relatively low in cost and purchased fairly frequently, both of which are factors that point towards a lower degree of attention. The average consumer will consider characteristics such as flavour and suitability for any particular dietary requirements and so I find that they will be paying a low to medium degree of attention. The goods will be chosen from the shelf or a chilled cabinet in retail outlets such as supermarkets or convenience stores or from their websites. They may also be purchased in bars or cafes. In such a scenario, the consumer is still likely to see marks, for example on a drinks list or on goods to be selected from a refrigerator. I consider that the visual aspect of the mark will be the most important, although I accept that the aural element may also play a role if the consumer orders the goods from a bar or seeks the assistance of sales staff.

### ***Comparison of marks***

33. It is clear from *SABEL* (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 CJEU stated in *Bimbo* that:

“... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the registration



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<sup>6</sup> Paragraph 60.

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.”<sup>7</sup>

34. It would be wrong, therefore, artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

35. The respective marks are shown below:

Contested marks	Earlier mark
<p>440 mark:</p>  <p>451 mark:</p> <p>MATE MATE</p>	

36. The earlier figurative mark consists of the words “MATE MATE” arranged one above the other in capital letters. The typeface appears to be shadowed. The words are surrounded by a star-like frame with a small five-pointed star positioned centrally above and below the words. There is a further F-shaped device at each corner of the verbal element. The star-like frame appears to be mounted on a smaller dark shape. The whole mark is shown in black and white.

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<sup>7</sup> Paragraph 34.

37. The applicant submits that the word “MATE” refers to a herb and the hot beverages that are prepared from this herb. The opponent submits that the average consumer is likely to associate the earlier mark with the English word meaning “friend”. As the average consumer is a member of the general public, I believe that, even if a group of consumers believe it to be a herb or some kind of beverage, a significant group will understand the word to mean “friend”.

38. In my view, the greatest contribution to the overall impression of the mark is made by the repetition of the word “MATE”, with the shadowed typeface and arrangement in two lines making a lesser contribution. Finally, the figurative elements would be seen as decorative elements making a very small contribution to the overall impression of the mark.

39. The 440 mark consists of two capital letter Ms in a shadowed typeface. The second is inverted and shown below the first. There is a small five-pointed star on either side of the gap between the letters. All these elements are contained within a circular border. In my view, it is the letters that make the greatest contribution towards the overall impression of the mark, with the typeface and stars making a lesser contribution, and the border being negligible. It is possible that some consumers will see the 440 mark as an M and a W, but I consider that a significant proportion will perceive it to be a letter M and its reflection.

40. The 451 mark consists of the words “MATE MATE” in capital letters in a standard typeface. The overall impression of this mark lies in the repeated words.

#### *The 440 mark*

41. The opponent submits that the marks are visually similar, as they both incorporate a double “M” in the same typeface, one below the other, and two stars. The applicant on the other hand submits that the marks are dissimilar. I agree that the shadowed “M” is at least highly similar in both marks and that both marks contain two stars. However, this is far as the similarities go. The earlier figurative mark contains complete words within a frame. Overall, I consider that the marks are visually similar to a very low degree.

42. The applicant submits that the earlier figurative mark contains four syllables (“MA-TAY-MA-TAY”), while the contested mark has two (“EMM-EMM”). The opponent makes no submissions on the aural comparison. I accept that some consumers might articulate the earlier mark in the way suggested by the applicant. However, given my earlier findings on the average consumer’s likely perception of this mark, I consider that a significant proportion will articulate it as two syllables: “MAYT-MAYT”. In all these cases, though, I consider that the marks are aurally dissimilar. Given this, they would also be aurally dissimilar if the 440 mark were seen as “MW”.

43. The applicant submits that the average consumer would understand “MATE” in the earlier figurative mark to refer to a herb from which hot beverages can be made, while the 440 mark has no meaning. The word “MATE” may also mean “friend”, as noted by the opponent in its statement of grounds in the opposition to the 451 mark. Whichever meaning comes to the mind of the average consumer, the earlier mark has conceptual content while the 440 mark has no concept beyond the letter(s). Therefore, the marks are conceptually dissimilar.

#### *The 451 mark*

44. The words in the marks are identical, although I note the differences in presentation and the decorative elements that are present in the earlier figurative mark. I find that the marks are visually similar to a medium degree and aurally identical.

45. I do not consider that the decorative elements of the earlier figurative mark, including the stars, make any contribution to the conceptual content of this mark. I find that the marks are conceptually identical.

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

46. In *Lloyd Schuhfabrik Meyer*, 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 Alternberger* [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).”

47. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The opponent has adduced no evidence of use of the earlier figurative mark and so I have only the inherent distinctive character to consider.

48. I have already found that a significant proportion of consumers will understand the word “MATE” as meaning friend, and it would therefore be neither descriptive nor allusive. As such, the inherent distinctive character of a mark consisting of just this word would be at a medium level. However, I consider that the repetition of the word elevates the distinctiveness of the mark to slightly above medium. The decorative elements would not elevate it any further, making a fairly minimal impact on the distinctive character of the earlier figurative mark. For those consumers who understand the word “MATE” as denoting a beverage or herb, the inherent distinctiveness of the mark will be between low and medium, in so far as those beverages are made from that herb.

### ***Conclusions on likelihood of confusion***

49. There is no arithmetical formula to apply in determining whether there is a likelihood of confusion. It is a global assessment where a number of factors need to be borne in mind. I must also take account of the interdependency principle, i.e. that a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods or vice versa. I keep in mind 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 they have in their mind.

50. There are two types of confusion: direct and indirect. In *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting as the Appointed Person, explained the difference between them:

“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.’”<sup>8</sup>

51. Earlier in my decision I found that:

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<sup>8</sup> Paragraph 16.

- The opposition under section 5(2)(b) failed with respect to the 454 mark, as the services were dissimilar to any of the relied-on earlier services;
- The goods covered by the 440 and 451 marks are identical to earlier goods;
- The average consumer would be a member of the general public paying a low to medium degree of attention;
- The purchasing process would be largely visual, although the aural aspect of the mark may also be relevant;
- The 440 mark is visually similar to a very low degree, and aurally and conceptually dissimilar, to the earlier mark;
- The 451 mark is visually similar to the earlier mark to a medium degree and aurally and conceptually identical;
- The earlier mark has a slightly higher than medium degree of distinctive character for a significant proportion of consumers.

52. I shall consider the 440 mark first. Although I accept that the interdependency principle would allow me to offset the very low degree of similarity between the marks with the identity of the goods, I must also take account of how the average consumer will recall the marks. I remind myself they will not see them side-by-side. In my view, the typeface is not so remarkable that the average consumer will remember it accurately.

53. In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis QC, sitting as the Appointed Person, pointed out that the level of “distinctive character” is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.”

54. The distinctive character of the earlier mark lies in the repetition of the word MATE repetition, with lesser contributions made by the remaining elements. The contribution of the shadowed typeface is lesser and will be recollected imperfectly. Despite the identity of the goods, I find that the average consumer is unlikely to mistake one mark for the other and be directly confused. I shall therefore move on to consider whether there is a likelihood of indirect confusion.

55. In *LA Sugar*, the Appointed Person gave some examples of the scenarios in which indirect confusion would be likely to occur:

“Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (‘26 RED TESCO’ would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as ‘LITE’, ‘EXPRESS’, ‘WORLDWIDE’, ‘MINI’ etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ('FAT FACE' to 'BRAT FACE' for example)."<sup>9</sup>

56. In *Liverpool Gin Distillery Limited & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ commented that:

"This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition."<sup>10</sup>

57. He also said:

"As James Mellor QC sitting as the Appointed Person pointed out in *Cheeky Italian Ltd v Sutaria* (O/291/16) at [16] 'a finding of likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion'. Mr Mellor went on to say that, if there is no likelihood of direct confusion, 'one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion'. I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion."<sup>11</sup>

58. A finding of a likelihood of indirect confusion requires me to come to the conclusion that the average consumer would first recognise that the marks have something in common and then assume that this means there is a connection between them. This largely unconscious mental process is likely to be based on the imperfect recollection of one of the marks at issue. On encountering the contested mark, the average consumer, in my view, will remember that the verbal element of the earlier figurative mark consists of two words each beginning with M, but I do not consider it likely that they will remember the exact details of the shadowed typeface. They may well also

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<sup>9</sup> Paragraph 17.

<sup>10</sup> Paragraph 12.

<sup>11</sup> Paragraph 13.

not recall that the earlier figurative mark contains two stars. The fact that the verbal element of the earlier mark consists of two words beginning with the letter M is not so strikingly distinctive that the average consumer would assume that the contested mark is another mark of the opponent or an undertaking that is economically connected to it. I see no other basis on which a finding of indirect confusion could be made. The opposition to the 440 mark under section 5(2)(b) fails.

59. Now I come to the 451 mark, which is identical in its verbal elements to the verbal elements of the earlier figurative mark. The average consumer will not accurately recall the decorative elements, which in any case I found to have a fairly minimal impact on the distinctive character of the earlier figurative mark. As the goods are identical, I find that there is a likelihood of direct confusion, and the opposition against this mark succeeds under section 5(2)(b).

### **Section 3(6)**

60. Section 3(6) of the Act is as follows:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

61. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121, the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, *Hasbro, Inc. v European Union Intellectual Property Office (“EUIPO”)*, Case T-663/19, *pelicantravel.com s.r.o. v OHIM*, Case T-136/11, and *Psytech International Ltd v OHIM*, Case T-507/08. Floyd LJ summarised the law as follows:

“The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for

the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]<sup>12</sup>.

62. The relevant date for all three oppositions is 14 May 2021.

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<sup>12</sup> Paragraph 67.

63. According to Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *Alexander Trade Mark*, BL O/036/18, the key questions for determination in a claim of bad faith are as follows:

- (i) What, in concrete terms, was the objective that the party alleged to have acted in bad faith has been accused of pursuing?
- (ii) Was that an objective for the purposes of which the contested application could not properly be filed?
- (iii) Has it been established that the contested application was filed in pursuit of that objective?<sup>13</sup>

64. It is necessary to ascertain what the applicant knew at the relevant date: see *Red Bull GmbH v Sun Mark Limited & Anor* [2012] EWHC 1929 (Ch), paragraph 137. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: see *Hotel Cipriani SRL & Ors v Cipriani (Grosvenor Street) Limited & Ors*, [2008] EWHC 3032 (Ch), paragraph 167.<sup>14</sup>

65. The applicant is accused of having the intention of undermining or misappropriating the opponent's rights in the signs, and of blocking the opponent from filing any applications for the same. These are all purposes for which the applications could not properly be filed. I shall now consider whether the evidence establishes a *prima facie* case that the applications were filed in pursuit of these objectives.

66. Ms Bachert states that the applicant was founded by a Mr Victor Mirzenko, who was previously the managing director of a company called Eco Global Trading Shanghai Co. Ltd ("Eco Global").<sup>15</sup> Eco Global was a distributor of the opponent's products in China from 2013.<sup>16</sup> The agreement between the opponent and Eco Global was terminated on 16 September 2019 and a new sales and purchase agreement entered into between the opponent and the applicant.<sup>17</sup>

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<sup>13</sup> Paragraph 8.

<sup>14</sup> Approved by the Court of Appeal in *Hotel Cipriani Srl & Ors v Cipriani (Grosvenor Street) Limited & Ors* [2010] EWCA Civ 110.

<sup>15</sup> Paragraph 8.

<sup>16</sup> Exhibit SB5.

<sup>17</sup> Exhibit SB6.

67. This agreement was dated 17 September 2019 and covered China, South Korea, Japan, the Philippines, Singapore, Indonesia, Thailand, Vietnam, Cambodia, Laos, Mongolia, Malaysia, Myanmar, Taiwan, Hong Kong, Macao and India, all listed in Annex 1 to the Agreement. There were also some provisions relating to Russia. It was deemed essential for the business of the applicant to obtain the trade marks and recipes relating to the opponent's products. The marks listed in the agreement were two figurative marks, one of which is identical to UKTM No. 918022875 (described as the "new mark"), and the word mark "MATE MATE". The other figurative mark is described as the "old mark" and is shown below.



68. The trade marks in the relevant territories that had already been filed (and were listed in Annex 3 to the agreement) were transferred to the applicant, and it was agreed that the applicant should make applications in its own name for national trade marks in the remaining countries. These applications were required to include goods in Class 32. The applicant agreed to cease and desist from any further trade mark applications existing of the new or the word mark or being similar to either of those marks without prior consent.<sup>18</sup> The opponent also *"except as specifically provided in this Agreement"* reserved all right, title and interest to the trade marks outside the territory covered by the agreement.

69. §3 of the agreement covers the rights and obligations of the purchaser (i.e. the applicant in these proceedings). The following provisions are relevant to the issues I have to decide:

"(3) Purchaser and Vendor shall orchestrate their actions where applicable in order to guarantee a cohesive brand identity and image of the brand worldwide. But taking the specific needs of each individual market and territory into consideration the Purchaser will have all flexibility with regards

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<sup>18</sup> §1(3)(a).

to marketing and advertising activities provided that logos, fonts and patterns specific to the 'MATE MATE' brand are not altered in a way that changes the brand identity entirely.

...

(6) Unless expressly authorized by the Vendor in writing, the Purchaser will not use any of the Trademarks in any form other than is shown in §1(1) or in any other country than named in Annex 1. Purchaser will cease and desist from the use of signs incorporating 'MATE MATE' or being similar to the signs §1(1)(a) to (c) outside the Territory and will not assist or support others to make use of these signs outside the Territory and will not register or support to register such signs as trademarks outside the Territory. This prohibition shall also apply if the deviation does not affect the distinctive character of the Trademark concerned.”

70. On termination of the agreement, the applicant was to cease using the trade marks and recipes from the date on which the revocation became effective, and the vendor was to buy back the trade marks at the price set out in Annex 8 to the agreement.

71. The applicant failed to pay the relevant purchase price by the date agreed (17 October 2019) “*due to the political situation in Hong Kong and other reasons*”.<sup>19</sup> Then the COVID pandemic led to further extensions to the deadline to 31 December 2020. Ms Bachert states that the opponent was willing to enter into these extensions because of the long-running relationship between the parties.<sup>20</sup> However, she adds that it became clear that the applicant would not be able to make the payment by the revised date and so the opponent began to look for alternative distributors around August/September 2020, with discussions focused on appointing a new distributor from 1 January 2021.

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<sup>19</sup> Exhibit SB7, page 106.

<sup>20</sup> Paragraph 14.

72. The applicant discovered that discussions with potential alternative distributors had taken place and argued that the opponent was in breach of the agreement, demanding a refund of the payments that it had already made. Ms Bachert states that the opponent's legal advisors considered that this claim had no legal basis and sent letters to the applicant for payment of the relevant sum once the deadline had expired.

73. Around June 2021, the opponent discovered that the applicant had, without consent, filed trade mark applications for THOMAS HENRY in Malaysia and New Zealand and for various MATE MATE trade marks in countries in and outside the EU. These are listed in Exhibits SB13 and SB14. They include applications at the Austrian, Benelux, Bulgarian, Czech, German, Italian, Norwegian and Swiss trade mark offices, as well as in the UK. The applications were for the marks at issue in these proceedings and a mark identical to the opponent's earlier mark.

74. On 1 June 2021, the applicant had sent an email to a company called ALTIA, based in Norway and a distributor of the opponent's goods, seeking discussions on a nationwide distribution deal for the MATE MATE drink. The opponent's legal advisors wrote to the applicant on 9 June 2021, warning of potential legal action for trade mark infringement.<sup>21</sup> On 24 June 2021, the opponent terminated the 2019 sales and purchase agreement with immediate effect.<sup>22</sup> The applicant replied on 5 July 2021.<sup>23</sup> It claimed to be *"the global brand owner of the underlying brand 'MATE MATE' holding a comprehensive and strong trademark protection with global trademark registrations in Class 32"* and describing the opponent as having *"a mediocre trademark protection"* and lying to its clients about its trade mark ownership. The applicant claimed that it had registered the figurative mark in Norway for goods and services in Classes 32, 35 and 36 and that the opponent therefore had no right to instruct it to stop using the mark. Ms Bachert states that this mark has now been cancelled, following action by the opponent. On 4 August 2021, the opponent secured an injunction from the Hamburg Regional Court stopping the applicant from using the brand name "MATE MATE" or the figurative mark for a range of beverages.<sup>24</sup> Ms Bechert also states that

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<sup>21</sup> Exhibit SB8.

<sup>22</sup> Exhibit SB9.

<sup>23</sup> Exhibit SB10.

<sup>24</sup> Exhibit SB12.

the applicant wrote to some of the opponent's customers in Germany, claiming that the opponent was not entitled to use the mark MATE MATE in Germany, and that the opponent was granted an injunction to prohibit this conduct on 3 September 2021.<sup>25</sup>

75. I find that the filing of the application for the 451 mark (i.e. the word mark) on 14 May 2021 was in breach of the agreement between the parties that was still in force, not being terminated until 24 June 2021. The UK was not within the territories covered by the agreement and within which the applicant was permitted to apply for trade mark registrations. Ms Bachert has given unchallenged evidence that the opponent was selling goods under the sign in the UK since 2016.

76. The evidence I have discussed so far has focused on the word mark "MATE MATE" and the earlier figurative mark. The opponent does not claim to have any trade mark registrations for the following sign, which is reproduced in the other two applications:



77. I found that this mark was similar to the earlier figurative mark and so I consider that the filing of an application for such a mark would also be prevented by the agreement between the parties.

78. The agreement does not specifically say that the prohibition on the applicant against it filing applications for similar trade marks within the territories not covered by the agreement only applied to trade marks covering goods in Class 32. Consequently, I consider that the applicant should have been aware that this would prevent it from applying for trade marks in classes unrelated to the opponent's core business of beverages, for example the Class 36 services of the 454 mark, and that this application was also filed in breach of the agreement.

79. The actions of the applicant in 2021 that I have summarised in paragraphs 73 and 74 above lead me to find that there is a *prima facie* case that the application was made

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<sup>25</sup> Paragraph 20; Exhibit SB19.

with the intention of undermining or misappropriating the opponent's rights in the MATE MATE sign.

80. As I am satisfied that the opponent has established a *prima facie* case that all three applications were made in bad faith, it is for the applicant to rebut that case. It has, however, filed no evidence to explain the reasons for the applications and so the opposition succeeds under section 3(6).

### **Section 5(6)**

81. Section 5(6) of the Act is as follows:

“Where an agent or representative ('R') of the proprietor of a trade mark applies, without the proprietor's consent, for the registration of the trade mark in R's own name, the application is to be refused unless R justifies that action.”

82. In *Safariland LLC v OHIM – DEF-TEC Defense Technology GmbH (FIRST DEFENCE AEROSOL PEPPER PROJECTOR)*, Case T-262/09, the General Court said that:

“60. ... under Article 8(3) of Regulation No. 207/2009, a trade mark must not be registered where an agent or representative of the proprietor of the trade mark applies for registration thereof in his own name without the proprietor's consent, unless the agent or representative justifies his action.

61. It is apparent from the wording of that provision that, for an opposition to succeed on that basis, it is necessary, first, for the opposing party to be the proprietor of the earlier mark; secondly, for the applicant for the mark to be or to have been the agent or representative of the proprietor of the mark; thirdly, for the application to have been filed in the name of the agent or representative without the proprietor's consent and without there being legitimate reason to justify the agent's or representative's action; and

fourthly, for the application to relate in essence to identical or similar signs and goods. Those conditions are cumulative.”

83. The opponent has not pleaded that, at the date of application, the contested marks were earlier trade marks of which it was the proprietor. The ground should, in my view, fail at this first hurdle. However, in case I am wrong in this, I note that this ground takes the opponent no further, as it has already succeeded under section 3(6). For completeness, I state here that I consider that there was a contractual relationship between the parties, imposing a duty on the applicant, and so, as I am required to interpret the terms “agent” and “representative” broadly, the second condition is met: see *Safariland*, paragraph 64. Thirdly, it is the opponent’s unchallenged evidence that the applications were made without consent. Fourthly, the applications are for similar signs and I note here that it is not necessary for this similarity to result in a likelihood of confusion: see *EUIPO v John Mills Ltd & Anor*, Case C-809/18 P, paragraph 92. However, in the case of the 454 mark I found no similarity between the goods and services and so the section 5(6) ground would fail in respect of that opposition.

#### **Section 5(4)(b)**

84. Section 5(4)(b) of the Act is as follows:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented—

[...]

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) or (aa) above, in particular by virtue of the law of copyright, or the law relating to industrial property rights.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of ‘an earlier right’ in relation to the trade mark.”

85. Article 2 of the Trade Marks (Relative Grounds) Order 2007, SI 2007 No. 1976 (“the Order”), states that:

“The registrar shall not refuse to register a trade mark on a ground mentioned in section 5 of the Trade Marks Act 1994 (relative grounds for refusal) unless objection on that ground is raised in opposition proceedings by the proprietor of the earlier trade mark or other earlier right.”

86. The opponent is relying on a logo which was created by a freelance art director commissioned to undertake this work. It is not the proprietor of this claimed work, as, it states, German copyright law does not permit the assignment of ownership of copyright. Instead, it pleads,

“... a copyright owner may only transfer the exclusive and unrestricted rights in respect of a copyright work, which effectively grants the relevant transferee the position of ‘owner in fact’ or ‘owner in economic aspects’.”<sup>26</sup>

87. Later in the statement of grounds, the opponent compares its position to that of an exclusive licensee under section 101 of the CDPA in being able to bring a legal action for infringement of copyright. However, the Order states that it is the proprietor, not an exclusive licensee, who can bring an opposition under this section.

88. I have been provided with no evidence from a German-qualified lawyer to corroborate the statement reproduced in paragraph 86 above. I am therefore reluctant on the basis of the material before me to find that the Order should be interpreted in such a way that the opponent is the proprietor of the earlier work for the purposes of this opposition. In any event, the oppositions against the 454 and 440 marks have already been successful under section 3(6).

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<sup>26</sup> Statement of grounds, paragraph 20.

## **OUTCOME**

89. The oppositions are successful and UK Application Nos. 3641454, 3641440 and 3641451 are refused registration.

## **COSTS**

90. The opponent has been successful and is under the circumstances entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice No. 2/2016. I have taken account of the degree of duplication between the pleadings and make an award of costs as follows:

*Preparing statements and considering the other side's statements: £500*

*Preparing evidence: £1200*

*Official fees (x3): £600*

***TOTAL: £2300***

91. I therefore order Mate Mate Asia Pte. Ltd to pay Thomas Henry GmbH the sum of £2300. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

**Dated this 14th day of August 2023**

**Clare Boucher,  
For the Registrar,  
Comptroller-General**