**O/0931/23**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. UK00003739077**
**BY SHENZHEN IMIRACLE TECHNOLOGY CO. LTD**
**FOR THE FOLLOWING TRADE MARK:**

# ELFBULL

**IN CLASS 34**

**AN OPPOSITION THERETO UNDER NO. 433055**
**BY RED BULL GMBH**

## BACKGROUND AND PLEADINGS

1. On 4 January 2022, Shenzhen iMiracle Technology Co. Ltd ("the applicant") applied for the trade mark shown on the cover page of this decision, in the UK. The application was published for opposition purposes on 28 January 2022 and registration is sought for the following goods:

Class 34 Tobacco; cigarettes containing tobacco substitutes, not for medical purposes; electronic cigarettes; Liquid solutions for use in electronic cigarettes; filter-tipped cigarettes; oral vaporizers for smokers; lighters for smokers; cigarette filters; cigarettes; flavorings, other than essential oils, for use in electronic cigarettes; Pipe racks for tobacco pipes; tobacco pouches; tobacco pipes; cigarette cases; cigars; herbs for smoking; cigar cases; tobacco jars; ashtrays for smokers; matches.

2. On 11 April 2022, the application was opposed by Red Bull GmbH ("the opponent") based upon section 5(3) of the Trade Marks Act 1994 ("the Act"). The opponent relies upon UKTM no. 900698720 for the mark Red Bull, which was filed on 5 December 1997 and registered on 18 February 2000.[1] Seniority is claimed from 25 February 1995 (UK). The opponent claims a reputation for some goods for which the earlier mark is registered, namely:

Class 32 Energy drinks and non-alcoholic drinks.

3. The opponent claims that use of the applicant's mark would, without due cause, take unfair advantage of, and/or be detrimental to, the distinctive character and/or repute of the earlier mark.

[1] On 1 January 2021, the UK left the EU after the expiry of the transition period. Under Article 54 of the Withdrawal Agreement, the Registry created comparable UK trade marks for all rights holders with an existing EUTM. As a result of the opponent having an EUTM being protected as at the end of the Implementation Period, a comparable UK trade mark was automatically created. The comparable trade mark shown here is now recorded on the UK trade mark register, has the same legal status as if it had been applied for and registered under UK law, and retains its original filing date.

4. The applicant filed a counterstatement accepting that the opponent has a reputation for “energy drinks and non-alcoholic drinks” in the UK, but denying the grounds of opposition.

5. The applicant is represented by Akos Suele, LL.M and the opponent is represented by Foot Anstey LLP.

6. Only the opponent filed evidence. The applicant filed written submissions during the evidence rounds. Neither party requested a hearing, and only the opponent filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

## EVIDENCE AND SUBMISSIONS

7. The opponent filed evidence in chief in the form of the witness statement of Jorge Jacobo Casals Ide dated 28 November 2022, which is accompanied by 10 exhibits. Mr Ide is the Regional IP Counsel Europe for the opponent, a position he has held since June 2008. Mr Ide’s evidence relates to the use of the earlier mark by the opponent and the activities of the applicant.

8. The applicant filed written submissions dated 16 January 2023.

9. The opponent filed undated written submission in lieu on 15 February 2023.

10. The opponent also filed evidence in the form of the witness statement of Chandni Jobanputra dated 15 February 2023, which is accompanied by 2 exhibits. Although the evidence was filed after the conclusion of the evidence rounds, a preliminary view was given on 4 April 2023 to admit the evidence. The preliminary view was not challenged and, consequently, that evidence was admitted into proceedings.

## RELEVANCE OF EU LAW

11. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in

accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

**DECISION**

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

> "5(3) A trade mark which -
>
> > (a) is identical with or similar to an earlier trade mark, […] shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark."

13. Section 5(3A) of the Act states:

> "Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected."

14. The trade mark upon which the opponent relies qualifies as an earlier trade mark pursuant to section 6 of the Act. As the earlier trade mark had completed its registration process more than 5 years before the application date of the mark in issue, it is subject to the proof of use provisions in section 6A of the Act. However, the applicant did not request proof of use and, consequently, the opponent can rely upon the goods identified.

15. The relevant case law can be found in the following judgments of the Court of Justice of the European Union ("CJEU"): *Case C-375/97, General Motors, Case 252/07, Intel, Case C-408/01, Adidas-Salomon, Case C-487/07, L'Oreal v Bellure and Case C-323/09, Marks and Spencer v Interflora and Case C383/12P, Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

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

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

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

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

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

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77 and Environmental Manufacturing, paragraph 34.*

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

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

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

16. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the earlier mark and the applicant's mark are similar. Secondly, the opponent must show that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them in the sense of the earlier mark being brought to mind by the later mark. Finally, assuming the first three conditions have been met, section 5(3) requires that one or more of the types of damage will occur. It is unnecessary for the purposes of section 5(3) of the Act that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

**Reputation**

17. The applicant admits that the opponent has a reputation for the goods claimed. However, the applicant has not made any admission as to the strength of the opponent's reputation, which is a relevant consideration when determining whether a link will be established. I will, therefore, make a finding as to the strength of the opponent's reputation.

18. I have reviewed the opponent's evidence in its entirety. The opponent's reputation is clearly very strong in relation to energy drinks. For example, I note that:

a) The opponent's mark has been used in the UK in relation to energy drinks since 1993.

b) For the years 2017 to 2021, the opponent's UK unit sales of RED BULL branded products were between (approximately) 400million and 600million per year.

c) The opponent had a 34.3% market share in the energy drinks market in 2021, which is the largest market share of any energy drink manufacturer.

d) The opponent spent between €13.9million and €16.5million per year on TV, cinema and radio advertising of its RED BULL energy drinks in the UK between 2017 and 2021. The overall advertising/marketing spend is even higher (for example, in 2021 it totaled €38.1million).

e) There were over 9million visits to the opponent's website in 2019 and 2020, and almost 5million in 2021.

19. Although the opponent is also claiming a reputation for non-alcoholic drinks more broadly (and this has been admitted by the applicant) the fact that it has a very strong reputation in relation to energy drinks is sufficient for the purposes of this opposition for reasons that will become apparent below. Consequently, I need not consider the position in relation to other non-alcoholic drinks any further.

**Link**

20. Whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are (i) the degree of similarity between the conflicting marks; (ii) the nature of the goods for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods, and the relevant section of the public; (iii) the strength of the earlier mark's reputation; (iv) the degree of the earlier mark's distinctive character, whether inherent or acquired through use and (v) whether there is a likelihood of confusion.

The degree of similarity between the conflicting marks

21. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

> "… it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

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

23. The marks to be compared are as follows:

| The opponent's mark | The applicant's mark |
|---|---|
| Red Bull | ELFBULL |

24. The applicant's mark consists of the conjoined words ELFBULL. The opponent's mark consists of the words RED BULL, in title case. There are no other elements to contribute to the overall impressions of the marks, which lie in the words themselves.

25. Visually, the marks coincide in the second word -BULL. The first word in both marks differs (ELF in the applicant's mark and RED in the opponent's mark). I bear in mind that the beginnings of marks tend to make more of an impact than the ends.[2] I do not consider that the conjoining of the words in the applicant's mark makes any material difference, as they will still be easily identified as separate dictionary words by the relevant public.[3] Consequently, I consider the marks to be visually similar to a medium degree.

26. Aurally, the word BULL will be pronounced identically in both marks. The words ELF and RED will clearly be articulated differently. Consequently, there is a medium degree of aural similarity.

27. Conceptually, the words RED BULL in the opponent's mark conjure an image of a bull which is red. The marks will overlap to the extent that the applicant's mark also conjures an image of a bull, albeit the words RED and ELF act as points of conceptual difference. Consequently, I consider them to be conceptually similar to a medium degree.

[2] *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02
[3] *Usinor SA v OHIM,* Case T-189/05

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

28. The applicant's goods are, broadly speaking, tobacco and electronic cigarettes and related products. The opponent's goods are energy drinks. The opponent argues that there would be an overlap in trade channels because both can be sold through supermarkets. Whilst that is plainly correct, they would be sold in different sections of the supermarket and such a general level of overlap is not enough, in my view, to result in similarity. They are dissimilar. However, the evidence shows that the applicant is selling some of its products (being electronic cigarettes) either described as RED BULL flavoured or energy-drink flavoured.[4] Even where the goods are not such that could be flavoured to align with the opponent's product, there would still be an overlap in user. Consequently, the goods are not entirely distant.

29. The relevant public is the general public at large (over the age of 18 in the case of the applicant's goods). In the UK, the purchasing process for some of these goods are controlled by various regulations. Some of these goods must be hidden from view and the consumer must request them from the shop assistant. For those goods, the purchasing process will be predominantly aural. However, for other goods, (such as ashtrays for smokers) the purchasing process is likely to be predominantly visual as they are likely to be selected from the shelves of a retail outlet or online equivalent. Consequently, I must bear in mind both visual and aural considerations.

The strength of the earlier mark's reputation

30. The earlier mark has a very strong reputation for energy drinks.

[4] Exhibits JC3 and JC4

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

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

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR 1-2779, paragraph 49).
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> 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)."

32. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctive character of a mark can be enhanced by virtue of the use that has been made of it.

33. The words Red Bull are inherently distinctive to a medium (or average) degree. However, bearing in mind the evidence (the key points of which are listed above), the

distinctiveness of the earlier mark has clearly been enhanced through use to a very high degree in relation to energy drinks.

Whether there is a likelihood of confusion

34. Given the distance between the goods, I do not consider there to be a likelihood of confusion.

35. I bear in mind the goods are dissimilar. However, given the activities of the applicant, there is plainly potential for there to be some connection between them. In my view, bearing this in mind, as well as the strength of the opponent's reputation and the similarity of the marks, a link will be made in the mind of the relevant public.

**Damage**

36. I must now consider whether any of the types of damage pleaded will arise.

Unfair advantage

37. I bear in mind that unfair advantage has no effect on the consumers of the earlier mark's goods. Instead, the taking of unfair advantage of the distinctive character or reputation of an earlier mark means that consumers are more likely to buy the goods of the later mark than they would otherwise have been if they had not been reminded of the earlier mark.

38. The opponent's unchallenged evidence is that the applicant was (until recently) using the RED BULL mark in relation to its electronic cigarette/vaping products, alongside the sign ELFBAR. Examples of social media posts dating back to June 2021 are provided which demonstrate this.[5] By November 2022, the applicant was using the ELFBULL sign, without the RED BULL sign, but was describing its products as being "energy-drink inspired beverage blend with a minty menthol twist".[6] Other

[5] Exhibit JC3
[6] Exhibit JC4

documents refer to ELFBULL as having a “classic red energy drink taste” and show the applicant’s ELFBULL Ice product alongside the comment: “if you are a fan of this drink then look no further”.[7] Whilst I note that some of these documents are dated after the relevant date, they are useful in casting light back on the applicant’s intention at the time of filing.

39. I note that despite the opponent pleading that the applicant had an intention to take unfair advantage, the applicant has not commented upon that allegation, nor has it provided an alternative explanation for why it has chosen the ELFBULL mark. No explanation was provided in the applicant’s written submissions, which consisted of a series of bare denials without alternative narrative. This, combined with the above evidence, leads me to conclude that the applicant did have an intention to take unfair advantage of the opponent’s reputation at the relevant date. In my view, there are a number of ways in which this unfair advantage might arise. For example, the applicant is likely to benefit from consumers instantly understanding the flavour profile of its goods, without having to invest in educating its customers itself. Alternatively, it may gain a marketing advantage because customers who enjoy the flavour of the opponent’s drinks will be more likely to buy the goods of the applicant. It may also benefit from a perceived association with the opponent, with customers believing that there is an economic connection between the parties (perhaps by virtue of a licensing arrangement).

40. I note that the application relates to a broader array of goods than those for which the applicant has previously sought to draw an association with the opponent. However, given that I have found the applicant had an intention to take unfair advantage and it presumably sees some benefit to be gained from drawing a connection with the opponent in relation to the goods applied for, it seems to me that I should be slow to find otherwise. Consequently, I consider that unfair advantage is made out in relation to the entirety of the application.

[7] Exhibits JC5 and JC6

Detriment to Repute

41. Detriment to repute, or tarnishing, is a reduction in the attractive power of the earlier mark, caused by the use of the later mark. As explained in the case law cited above, tarnishing may arise either when the later mark itself creates negative associations or where the goods on which it is used are incompatible with the image of the earlier mark.

42. The opponent makes various arguments under this head of damage. However, I note that in its written submissions in lieu it states:

> "36. Also, the class 34 goods […] which are covered by the Application are extremely harmful and damaging to the health of the public. Any association between the Opponent and these applied for goods will tarnish and damage the reputation of the Earlier Mark and make it less likely that the public will purchase the goods offered under the Earlier Mark. […]"

43. Tobacco and nicotine products are damaging to health and/or addictive; that is a notorious fact of which I am prepared to take judicial notice. It is Mr Ide's unchallenged evidence that part of the opponent's promotional activities involves the sponsorship of sporting teams. Indeed, I note that Interbrands described the opponent as follows in their 2022 report:[8]

> "Red Bull is a brand that pioneered the energy drinks market and birthed a new marketing concept, which is why it reigns as the category leader, with the highest market share of any energy drink in the world. Yet despite its fiercely successful product, Red Bull is known more for its brand than its product. The brand ambition reaches beyond the can aiming to create a "World of Red Bull" around athletes, events, dance and gaming, by delivering phenomenal products and extreme experiences that are filled with adventure, culture, sports and innovation." (my emphasis)

[8] Exhibit JC1

44. Whilst this does not relate to the UK market specifically, given the extent of the opponent's reputation in the UK, I have no reason to doubt that it would not carry the same association with sport in this jurisdiction. Mr Ide gives evidence (again, unchallenged) that sporting events involving teams sponsored by the opponent have been televised in the UK. In any event, by their very nature, energy drinks have a close association with active pursuits (given that their intention is to boost the energy of the drinker). Consequently, I consider that the goods for which the applicant seeks protection are incompatible with the image of the earlier mark and are likely to cause detriment to the opponent's reputation.

45. As I have found unfair advantage and detriment to repute, I do not consider it necessary to consider the other pleaded heads of damage.

**CONCLUSION**

46. The opposition is successful, and the application is refused.

**COSTS**

47. As the opponent has been successful it is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the opponent the sum of **£2,450**, calculated as follows:

| | |
|---|---|
| Preparing a Notice of opposition and considering the applicant's counterstatement | £350 |
| Filing and preparing evidence | £1,500 |
| Written submissions in lieu | £400 |
| Official fee | £200 |
| **Total** | **£2,450** |

48. I therefore order Shenzhen iMiracle Technology Co. Ltd to pay Red Bull GmbH the sum of £2,450. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the expiry of the appeal period.

**Dated this 2nd day of October 2023**

**S WILSON**
**For the Registrar**