

O-362-13

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2588979
BY SOUTH BEACH BEVERAGE COMPANY INC.
TO REGISTER THE TRADE MARK
SOBE LIFEWATER
IN CLASS 32
AND**

**IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 102815 BY
LIFE GLOBAL HOLDINGS LIMITED**

BACKGROUND

1) On 25 July 2011, South Beach Beverage Company Inc. (hereinafter the applicant) applied to register the trade mark SOBE LIFEWATER in respect of the following goods in Class 32: Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

2) The application was examined and accepted, and subsequently published for opposition purposes on 23 September 2011 in Trade Marks Journal No.6906.

3) On 22 December 2011 Life Global Holdings Limited (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade mark:

Mark	Number	Date of application / registration	Class	Specification
Life	2403591	10.10.05 31.03.06	32	Bottled water (still and aerated), soft drinks, syrups for beverages, fruit drinks, other preparations for making beverages.

b) The opponent contends that it has used its mark since 2006 and sold over six million bottles of water to customers throughout the UK. The opponent contends that they are known as Lifewater by their customers and that the mark in suit is confusingly similar to its registered trade mark. It states that the goods applied for in the mark in suit are similar or identical to those for which its mark is registered. The mark in suit therefore offends against Section 5(2)(b) of the Act.

c) The opponent contends that it has achieved a reputation not only for its products but also its ethical stance such as being carbon neutral and support for charities. The opponent states that it is seen as an independent, socially concerned, ethically driven and environmentally responsible brand and use of the mark in suit would unjustly benefit from the opponent reputation, and also any association with Pepsi Co could damage the opponent's hard won reputation in the mark above. The mark in suit therefore offends against Section 5(3) of the Act.

4) On 5 March 2012, the applicant filed a counterstatement denying all the grounds of opposition and putting the opponent to proof of reputation. Boxes 5 and 6 of the counterstatement require the applicant to state whether proof of use is required and, if so, on which of the goods and/or services that the opponent is relying upon. In the instant case the applicant put "N/A" in both boxes. However, in a narrative point later in the counterstatement it then said:

"Moreover, the applicant does not believe that the opponent has used the mark the subject of their earlier registration for all of the goods covered by the scope of the specification and therefore requests clear evidence relating to the same failing

which it is respectfully requested that the notice of opposition be amended to restrict the list of goods for which the opponent contends that the earlier mark has a reputation.”

5) To my mind this is not the same as requesting proof of use for the purposes of restricting the specification upon which the comparison test is based, but is instead as stated only a request that should the evidence not be forthcoming that the reputation of the opponent be restricted to the goods upon which evidence of use has been provided.

6) Both sides filed evidence. Both parties seek an award of costs in their favour. The matter came to be heard on 2 September 2013 when the opponent was represented by Ms Gist its Business Manager; the applicant was not represented but did provide written submissions.

OPPONENT’S EVIDENCE

7) The opponent filed a witness statement, dated 19 November 2012 by Simon Konecki the Chief Executive of the applicant company. He states that the opponent first used its mark in 2006 when it launched a range of nine different products all in Class 32, although he does not list what these were. He also provides the following exhibits:

- B: This consists of eleven invoices which cover the period 5 July 2006 – 18 May 2011 and thirteen invoices after the relevant date. The relevant invoices show addresses in southern counties of England and the Midlands. They show approximately £27,000 worth of sales of products under the names PET Life Natural Water, Sparkling Life Natural Water, Life Natural Water, Life Water, Still Wave Life Water and Still Life Water. The invoices are headed “Life” with the legend “pure water. healthy world” underneath or “refreshingly British pure water” in a roundel.
- C: This shows that the opponent has, since its launch in 2006, purchased 26 million bottles of water which it re-labels and sells on. It is assumed this covers the period up to the witness statement.
- D: This is said to show that between 2008-2011 approximately 19.5 million bottles of water were sold in the UK, although all the details other than the numbers have been redacted. The opponent also states that between 2006 - 2008 over 3.5 million bottles were sold.
- E: The opinion Mr Corke a Director of Corke Wallis Ltd, a branding agency, on the issue of confusability which does not assist my decision.
- F: A list of organisations, events and so-called celebrities who it is claimed have used the opponent’s product.

- I: Various press releases or reports from Brighton and Hove Albion football club, FoodBev.com, Brighton Mobile, You, WCommunications, which mention the company as Life Water, and a page from the *Sun* where a woman can be seen holding a bottle of the opponent's product.

APPLICANT'S EVIDENCE

8) The applicant filed three witness statements. The first, dated 17 January 2013, is by Elizabeth N Bilus Assistant Secretary of PepsiCo Inc. and Vice President of South Beach Beverage Company Inc. She has been with the company since 1986. She states that her company first used the mark in suit in the USA in 2006 and had no knowledge of the opponent, indeed the mark in suit was registered in the USA in September 2005 (see exhibit EB1), prior to the first use of the opponent. At exhibit 2 she provides examples of use of the mark in the USA. In a number of instances the word "SOBE" is placed vertically, whilst the words "life" and "water" are horizontally placed as well as being separated and with the word "life" being highlighted.

9) The second witness statement, dated 17 January 2013, is by Gavin Partington Director General of the British Soft Drinks Association, a post he has held since 2012. He provides his opinion on confusability which does not assist my decision.

10) The third witness statement, dated 17 January 2013, is by Graham Michael Robinson, the Managing Director of Farncombe International Ltd, an investigative company instructed by the applicant's trade mark agents to investigate the opponent company. A copy of the report compiled by his company is supplied at exhibit GMR1. The information contained within his report does not assist my decision.

OPPONENT'S EVIDENCE IN REPLY

11) The opponent filed two witness statements in reply. The first, dated 15 May 2013 is by Mr Konecki who has provided evidence already in this case. He comments on the applicant's evidence. In particular he points to the evidence of use in the USA. He states that with "SOBE" being placed vertically, and the other two words horizontally, the consumer will see the words "life" and "water" not "SOBE". He also points to the highlighting of the word "life" on the bottles shown.

12) The second witness statement, dated 13 May 2013, is by Mr Corke who has also supplied evidence previously. He again provides his opinion on the confusability of the marks but other than stating that he is a Director of a branding agency, he is not put forward as an expert witness. I also refer to Tribunal Practice Note 2/2012 which states:

"There is generally little need in proceedings before the tribunal for an expert witness. The tribunal does not, for instance, require an expert to give an opinion as to how a word will be pronounced by an English speaker. Evidence will not be permitted which supplants the rôle of the decision maker eg evidence from a branding expert stating that there is, or is not, a likelihood of confusion or dilution."

13) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

14) I first turn to the ground of opposition based on section 5(2)(b) which reads:

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

(a)

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

15) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

16) The opponent is relying upon its trade mark listed in paragraph 3 above which is clearly an earlier trade mark. Given the interplay between the date on which the application was published, 23 September 2011, and the date on which the opponent’s registration completed its registration procedure, 31 March 2006, the earlier trade mark is subject to proof of use, as per section 6A of the Act. In its written submissions the applicant sought to have the whole case dismissed on the basis that the opponent had not provided any proof of use. In its submissions the applicant included a section which stated “12. The Act and associated Rules require actual proof of genuine use of the earlier mark”. The paragraph then went on to set out the test referencing *Ansul*, *Silberquelle* etc. However, as I set out earlier in this decision, the applicant did not put the opponent to proof of use in its counterstatement. It cannot therefore seek to rely upon this aspect now.

17) When considering the issues under Section 5(2) and the likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice to 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] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 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). In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10] Mr Hobbs QC acting as the Appointed Person set out the test shown below, by reference to the CJEU cases, which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(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/ services in question; who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements; nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(e) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

(g) 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;

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

(i) 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;

(j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

The average consumer and the nature of the purchasing process

18) I must now determine the average consumer for the goods of the parties. Clearly, both parties' specifications consist mainly of soft drinks which would be sold to the general public, including businesses. The only item outside this is "beer" in the applicant's specification which would be sold to those over eighteen years of age who were not teetotal. Broadly, all the goods would be sold to consumers wishing to quench their thirst. These products will vary in cost as will the level of attention paid. However, given the nature of these products I do not believe that these items will be selected with considerable care. For the most part such items will be on display on supermarket /store shelves or online and the public will self select, although they could also be purchased in a pub or an outlet which holds all items behind a counter. Even in such circumstances the label on the bottles, or the pump label will usually be in sight. Whilst aural considerations must not be overlooked it is the visual aspect of the competing trade marks that will dominate the selection process.

Comparison of goods

19) For ease of reference I reproduce the specifications of both parties:

Applicant's specification	Opponent's specification
Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.	Bottled water (still and aerated), soft drinks, syrups for beverages, fruit drinks, other preparations for making beverages.

20) Clearly, with the exception of "beer" applied for by the applicant, the two specifications are for identical goods. The accepted test for comparing goods is that set out by Jacob J. in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 28 TREAT, which was effectively endorsed by the Advocate General in *Canon*; ETMR 1. The factors to be taken into account are:

- a) The respective uses of the respective goods;
- b) The respective users of the respective goods;
- c) The physical nature of the goods;

- d) The respective trade channels through which the goods reach the market;
- e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be found on the same or different shelves;
- f) The extent to which the respective goods are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods in the same or different sectors.

21) I also take into account the decision of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05 i.e.

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedial v OHIM – France Distribution (HUBERT) [2002] ECR II-5275, paragraphs 43 and 44; and Case T- 10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42).”

22) To my mind, there is no similarity between “beer” and “Bottled water (still and aerated), soft drinks, syrups for beverages, fruit drinks, other preparations for making beverages.” I accept that you can get non-alcoholic beers, but in general beer, even non-alcoholic beer, is sold in separate areas from water, soft drinks and fruit drinks. They are not in competition, are only on sale to those over eighteen and the trade channels are different.

Comparison of trade marks

23) The trade marks to be compared are as follows:

Applicant's mark	Opponent's marks
SOBE LIFEWATER	Life

24) It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has kept in his mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

Distinctive character of the opponent's earlier trade marks

25) The opponent has provided limited evidence of use of its mark. Some of the evidence has been contradictory, such as the statements regarding the amount of bottles of water sold in the UK which vary from 6 million in the statement of grounds to 26 million in the witness statement. However, even if I accept that latter figure, the opponent has not put this into context in terms of the bottled water market in the UK. No figures for the overall market have been provided or even the opponent's market share. No figures or examples of marketing have been provided. The opponent states that it launched a range of nine different products under the mark in 2006, but they do not list what these products were or provide a breakdown of sales for each type of product. To my mind they cannot benefit from an enhanced reputation. However, in my opinion the opponent's mark is inherently very distinctive for the goods for which it is registered as it has no obvious meaning when used on, broadly speaking, water and soft drinks.

Distinctive and dominant components

26) The opponent's mark consists of the single word "Life". Its distinctiveness rests in the mark as a whole. The opponent has contended that it is known as "lifewater" but under a section 5(2)(b) pleading only the mark as registered can be taken into account. The applicant's mark consists of the words "SOBE" and "LIFEWATER". There is no evidence that the first word of the mark in suit has any meaning. Clearly, when the mark in suit is used on water, part of the second word will be viewed as a description of the product and the average consumer will take little or no notice of it.

Visual / Aural and Conceptual similarity

27) Clearly both marks contain the word LIFE. The mark in suit has the word "SOBE" as its initial word and also the word "WATER" added to the word "LIFE". Clearly, there is a degree of visual, aural and conceptual similarity between the marks however there are significant differences. I take into account that consumers take more notice of the start of a mark. Overall, the differences far outweigh the similarities.

Likelihood of confusion

28) I must now take all the above into account and consider the matter globally taking into account the interdependency principle- a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods and vice versa. The lack of evidence does not allow me to find the opponent to have a reputation in class 32 goods. The opponent's best case is in relation to use of the mark in suit on water when the last aspect of the mark in suit would be seen as being descriptive of the product. Even allowing for the concept of imperfect recollection and being used on identical goods, the differences between the marks is such that there is no likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. **The opposition under Section 5(2) (b) therefore fails.**

29) I now turn to the ground of opposition under section 5(3) which reads:

“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 (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

30) The relevant principles can be gleaned from the case law of the Court of Justice of the European Union. In particular, cases *General Motors Corp v Yplon SA (Chevy)* [2000] RPC 572, *Adidas Salomon AG v Fitnessworld Trading Ltd.* [2004] ETMR 10, *Intel Corporation Inc v CPM United Kingdom Ltd* - [2009] RPC 15 and *L’Oreal SA and others v Bellure NV and others* - Case C-487/07. These cases show that:

(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; but the reputation of the earlier mark may extend beyond the consumers for the goods and services for which it is registered; *Intel*, paragraph 51.

(c) It is necessary, but not sufficient, 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 all relevant factors, including the degree of similarity between the respective marks and between the respective 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) Although it is not a necessary factor, a link between the trade marks is necessarily established where the similarity between the marks causes the relevant public to believe that the goods/services marketed under the later mark come from the owner of the earlier mark, or from an economically connected undertaking; *Intel*, paragraph 57.

(f) Where a link is established, the owner of the earlier mark must also establish that it has resulted in 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 the relevant factors; *Intel*, paragraph 79.

(g) 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 likelihood that this will happen in future; *Intel*, paragraphs 76 and 77.

(h) 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.

(i) Detriment to the repute of the earlier mark is caused when the goods or services for which the later mark is used by the third party may be perceived by the public in such a way that the earlier trade mark's power of attraction is reduced; *L'Oreal*, paragraph 40.

(j) Unfair advantage covers, in particular, cases where a third party seeks to ride on the coat-tails of the senior mark in order to benefit from a transfer of the image of the earlier mark, or of the characteristics it projects to the goods/services identified by the later mark; *L'Oreal*, paragraph 41.

31) The opponent claims that it has used its Life mark on water since 2006 and that the mark is well known and has a substantial reputation in the UK. On the basis of *Chevy* I consider that the opponent needs to demonstrate that at the relevant date a significant part of the persons in a substantial part of the UK knew of the trade mark of the opponent. Absent public opinion survey I must take into account "the market share held by the trade mark, the intensity, geographical extent and duration of its use and the size of the investment made by the undertaking in promoting it" (*Chevy*). Taking into account that the relevant public is the general public, the opponent has to show its market share in relation to water or non-alcoholic beverages at large. The opponent has shown that it sells a very large number of bottles of water in the UK under its Life mark. However, this number has not been put into the context of the market for bottled water in the UK. No evidence of advertising or marketing has been provided. The opponent has not provided evidence from the trade in relation to its reputation or market share. The opposition under section 5(3) does not get over the first hurdle.

32) However, in case I am wrong about this I will go onto consider whether the average consumer would make the link between the opponent's mark used on water and soft drinks and the applicant's mark used on identical goods. I have already considered this question earlier in this decision and found that even when used on identical goods the average consumer would not make a link between the two marks, and so the opposition under section 5(3) would have failed at the second hurdle.

CONCLUSION

33) The opponent has failed in its opposition under Sections 5(2)(b) and 5(3).

COSTS

34) As the applicant has been successful it is entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£200
Preparing evidence and considering the evidence of the other side	£500
Providing written submissions	£300
TOTAL	£1,000

35) I order Life Global Holdings Limited to pay South Beach Beverage Company Inc. the sum of £1,000. This sum 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 9th day of September 2013

**George W Salthouse
For the Registrar,
the Comptroller-General**