

O/460/11

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION 2535322  
BY KAMAL KHANBABAEI GENERAL TRADING CO. L.L.C  
TO REGISTER IN CLASS 32 THE TRADE MARK:**



**AND**

**OPPOSITION THERETO (NO 100620) BY RED BULL GMBH**

## The background and the pleadings

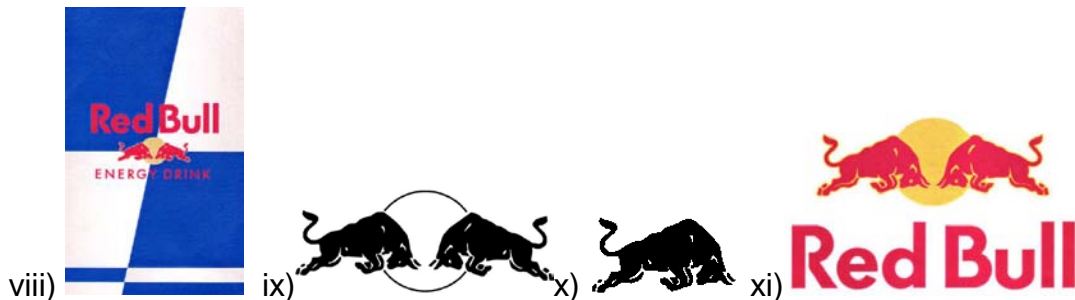
1) On 22 December 2009 Kamal Khanbabaei General Trading Co. L.L.C (“Kamal”) filed application 2535322 for the following mark for the following goods:



**Class 32:** Energy drink

The application was published in the Trade Marks Journal on 23 April 2010.

2) Red Bull GmbH (“RB”) opposes the registration of Kamal’s application. The opposition is made under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The earlier marks relied upon are word marks for: i) RED BULL, ii) BULL, iii) CRAZY BULL, iv) ENERGY BULL, v) FLYING BULL, vi) BAD BULL and vii) EXTREME BULL, and, also, figurative marks consisting of:



3) There is no dispute that the above marks constitute earlier trade marks as defined by section 6 of the Act. Only one of the marks (mark xi) is subject to the requirement to prove that it has been genuinely used. All of the earlier marks cover energy drinks in class 32. Earlier marks iii) – vii) are relied upon solely under section 5(2)(b), the other earlier marks are relied upon under both sections 5(2)(b) and 5(3) of the Act. Under section 5(4)(a) signs corresponding to marks i), viii), ix) & x) are relied upon, the relevant rule of law claimed to be in play being the law of passing-off. As well as relying on the earlier marks/signs individually, RB also relies on a family of “BULL” marks.

4) Kamal filed a counterstatement denying the grounds of opposition. It put RM to proof of use of earlier mark xi). It made a number of comments in its counterstatement as to why the claims should fail. Rather than detail them here I will take them into account, referring to them when necessary, when I come to

make my findings. Only RB filed evidence. A hearing took place before me on 20 October 2011 which only RB attended; RB were represented by Mr Benet Brandreth, of Counsel, instructed by Keltie.

### **The evidence**

5) RB filed a significant amount of evidence. I do not intend to summarise it any detail. This is because the RED BULL trade mark is the type of mark so well-known that it would be permissible to accept, as a matter of judicial notice, that in respect of energy drinks, it has a very strong reputation. The evidence filed ably demonstrates this. To give a feel for the strength of such reputation, in the UK alone unit sales have risen from 197.2 million in 2000 to 369.8 million in 2009. Very high sales figures are also present EU wide. Marketing expenditure in the UK has been between 14 million euro in 2000 to 9 million euro in 2009. There have been extensive and high profile adverting and sponsorship activities. Market share in energy drinks in 2009 was 57% in the UK. Similar (and even higher) figures have been achieved in other EU member states. The primary signs used are the words RED BULL and the figurative mark:



6) The above represents the get-up used on the packaging of the product and it also features on much of the advertising material. Other evidential issues may arise as I make my way through the case. I will come back to the evidence at those points. The above information, should, however, provide some context.

### **The proof of use provisions**

7) As stated in paragraph 3, the proof of use provisions apply to the following figurative mark:



8) Given that RB has other earlier marks it relies upon, I would not ordinarily have considered this mark and would not, therefore, have conducted a proof of use assessment. However, as one of RB's claims is made on the basis of a family of marks, it is important to consider whether this mark has been genuinely used so that it can be taken into account as part of the claimed family. The use

conditions are set out in section 6A of the Act. According to section 6A(3), the use conditions are met if:

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

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

9) When considering whether genuine use has been shown, I bear in mind the leading authorities on the principles to be applied namely: the judgments of the Court of Justice of the European Union (“CJEU”) in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 (“*Ansul*”) and *Laboratoire de la Mer Trade Marks C-259/02* (“*La Mer*”). The position<sup>1</sup> was helpfully summarised by Ms Anna Carboni, sitting as the Appointed Person, in BL O-371-09 *SANT AMBROEUS*:

“42. The hearing officer set out most of the key extracts from *Ansul* and *La Mer* in his decision, so I shall not reproduce them here. Instead, I try to summarise the “legal learning” that flows from them, adding in references to *Silberquelle* where relevant:

(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

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<sup>1</sup> Which also took into account the guidance set out in *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C495/07, [2009] ETMR 28.

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

10) The trade mark in question forms part of mark viii). To that extent, I must bear in mind Case C-234/06 P, *Il Ponte Finanziaria SpA v OHIM* where the CJEU stated:

“In any event, while it is possible, as a result of the provisions referred to in paragraphs 81 and 82 of the present judgment, to consider a registered trade mark as used where proof is provided of use of that mark in a slightly different form from that in which it was registered, it is not possible to extend, by means of proof of use, the protection enjoyed by a registered trade mark to another registered mark, the use of which has not been established, on the ground that the latter is merely a slight variation on the former.”

11) The above case suggests that proof of use must be demonstrated independently of its use as part of another registered trade mark. I have been through the large numbers of exhibits filed. Having done so, there are a number of examples of the mark being used other than as part of mark viii). The mark has been genuinely used. The mark in question is a Community Trade Mark so the use must be within the EC. Whilst this is borne in mind, the use is not only massive in the UK, but it also massive on a pan-European basis. This requirement is easily met.

12) There is no need to consider in detail what a fair specification would be. Whilst the statement of use RB made includes a number of types of beverages, the mark has clearly been used in respect of energy drinks, which are identical to the only goods of the applied for mark. There is little point considering the opposition any wider than energy drinks, so there is little point in assessing proof of use any wider. The earlier mark will be considered on the basis of energy drinks.

### **The section 5(2)(b) ground of opposition**

13) Section 5(2)(b) of the Act 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.”

14) In reaching my decision I have taken into account the guidance provided by the Court of Justice of the European Union (“CJEU”) in a number of judgments: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77, *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, *Case C-3/03 Matrazen Concord GmbH v GmbGv Office for Harmonisation in the Internal Market* [2004] ECR I-3657 *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05). In *La Chemise Lacoste SA v Baker Street Clothing Ltd* (O/330/10) Mr Geoffrey Hobbs QC, sitting as the Appointed Person, quoted with approval the following summary of the principles which are established by these cases:

“(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, 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;

(e) 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;

(f) 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 of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great 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;

(k) 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."

15) Some of the issues require little analysis. In terms of the goods, Kamal seeks registration only in respect of energy drinks. All of the earlier marks cover such goods and, therefore, identical goods are in play. In terms of the average consumer, the case-law informs me that they are reasonably observant and circumspect (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). The degree of care and attention the average consumer uses when selecting goods or services can, however, vary depending on the particular goods in question (see, for example, the judgment of the General Court "GC" in

*Inter-Ikea Systems BV v OHIM* (Case T-112/06)). Energy drinks are general consumer products. A member of the general public will be the average consumer. The goods are purchased to quench thirst whilst also giving the drinker some form of energy boost. They do not strike me as highly considered purchases, there is no evidence to the contrary.

### Comparison of marks

16) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole (a point Kamal highlights in its counterstatement) 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. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account any distinctive and dominant components.

17) Kamal's mark is:



18) Whilst it is a composite mark, it is dominated, in my view, by the word BULZAI. Even though it is presented sideways, this is still the element with most visual impact on account of its size and distinctiveness. Other than the background (which contains a very faint bull which is very hard to see), the other element of most note is the device of a bull in an oval. It is a distinctive element but has less visual prominence. Whilst it may not be the dominant element, it will still be borne in mind given that it is distinctive and that it plays an independent role.

19) There are various earlier marks to consider. For reasons that will become apparent, I will not make an assessment at this stage in respect of the marks: CRAZY BULL, ENERGY BULL, FLYING BULL, BAD BULL and EXTREME BULL. That leaves the word marks: RED BULL and BULL. In respect of the BULL mark, it has only one word which, therefore, constitutes its only component part. In respect of RED BULL, this is a phrase which hangs together (a bull that is red in colour) so the words in the mark do not really separate into separate



components; having said that, because the word RED qualifies the word BULL, slightly more emphasis will be placed on the BULL element.

20) In terms of RB's figurative marks:



21) I consider the words RED BULL to be the dominant and distinctive element in the first of the above marks; the bull device element has slightly less dominance than the words, but, again, it plays an independent and distinctive role. In the second mark the words RED BULL and the device element seem to me to have an equal degree of dominance and distinctiveness. That leaves:



22) Neither of the above can really be described as composite trade marks. The depiction in both marks comprises its dominant and distinctive element.

23) Assessing the similarity in turn, RED BULL has a degree of similarity (with Kamal's mark), visually and aurally, on account of the common inclusion of the word/letters BULL/BUL. However, given the other aspects of the respective marks such similarity must be of only a low degree. From a conceptual point of view, whilst there is no dictionary definition of the word BULZAI, it is clearly evocative of the word BULLSEYE. Although the word BULLSEYE may be derived from the eye of a bull, and although the presence in the applied for mark of a bull may remind the average consumer of this, the concept is still that of a BULLSEYE which is, of course, different from a red coloured bull. I find no meaningful conceptual similarity on the basis that both marks make reference to a bull. Overall, I find the degree of similarity to be at the lower end of the scale.

24) The earlier mark BULL has a slightly different assessment because it is not qualified by the word RED. Nevertheless, much of the above assessment still holds true. I consider there to be only a low degree of similarity.

25) In relation to the device marks shown in paragraph 20, both marks include the words RED BULL and a picture of two butting bulls superimposed over what appears to be a sun. One of the marks is also presented on a quartered

background. In comparison to the applied for mark, there is a degree of similarity based on the common inclusion of a bull/two bulls. There is also the verbal elements RED BULL/BULLZAI which have a degree of similarity as both contain the letters BUL. However, weighing these aspects with the various points of difference, the net result, in my view, are marks with only a low degree of similarity (the first mark depicted) and only a low to moderate degree of similarity (the second mark depicted).

26) That leaves the two device marks shown in paragraph 21. The first consists of two butting bulls (over a circle background element), the other just one bull (in butting position but with no opposite number). There is slightly more similarity between the second of the marks and the applied for mark on account of the fact that both contain a single bull. The bulls themselves have some differences on account of the forward facing/side view of the respective bulls and the artistic representation made of them. There are also large differences because of the presence in the applied for mark of the word BULZAI, that mark's dominant and distinctive component. In relation to concept, similar observations to those made in relation to the word mark BULL apply. I consider there to be a low to moderate degree of similarity overall. In terms of the device mark incorporating two bulls, similar observations apply, albeit there is greater difference due to two bulls, the circular background etc. I consider there to be only a low degree of similarity overall here.

#### Distinctiveness of the earlier marks

27) The degree of distinctiveness of the earlier mark(s) is an important factor to consider. This is because the more distinctive they are (based either on inherent qualities or because of use made), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In terms of inherent qualities, the earlier mark(s) are already reasonably high in distinctiveness. Whilst I note Kamal's comments in its counterstatement that bulls are evocative of strength and vitality, I consider that such evocativeness is extremely mild and will only be perceived following an analytical appreciation – it is not something that will be immediately perceived. All of the marks are reasonably high in inherent distinctive character, but in relation to the marks RED BULL/RED BULL & device, the marks have an even higher degree of inherent distinctness on account of the unusual concept of a bull that is red.

28) In terms of the use made of the mark(s), I bear in mind when I make my assessment that a mark may acquire distinctiveness on account of its use as part of another mark<sup>2</sup>. There is no reason why this principle cannot hold true when assessing whether a mark has become more distinctive on account of its use as part of another mark. In terms of the RED BULL and device marks, these are heavily used and highly significant in the marketplace. A good deal of the use made (but not all of it) is in relation to the second of these marks (the one without

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<sup>2</sup> See *Societe des Produits Nestlé SA v Mars UK Ltd (Have a Break)*

the quartered background) as part of the first mark. However, given my comments above, this does not matter. The use enhances the distinctiveness to the extent that they must be considered as being of an extremely high degree of distinctive character. This also applies to the words RED BULL.

29) In relation to the word BULL, there is no real use of this mark as a mark in its own right. Whilst the evidence refers to the use of the word BULL, this is in the context of sporting sponsorship with certain teams being referred to as the "... BULLS". I do not think this helps to establish an enhanced distinctiveness for the trade mark BULL. Whilst a mark can gain distinctiveness through the use of another mark, I do not consider that BULL will be perceived as a trade mark in its own right through the use of RED BULL. The distinctiveness is not enhanced through use, but it is still reasonably high in inherent distinctive character.

30) That leaves the two figurative marks consisting of pictures of bulls/a bull. The two bull mark forms part of RB's RED BULL & device marks. There is little or no self-standing use, at least in terms of public facing use<sup>3</sup>. Nevertheless, I think a good many people will recognise that the two butting bulls are part of RB's overall image and will, therefore, regard the butting bulls as indicating, strongly, RB's goods. I consider the distinctive character of the two butting bulls to be enhanced, perhaps not as strongly as the RED BULL and device marks, but that it is still entitled to a high degree of distinctive character. In terms of the single bull mark, this is a step removed. Again there is little or no self-standing use. The degree to which the public will recognise the sign as part of RB's imagery is less clear. It is carving up its image a step too far. This mark is not entitled to an enhanced degree of distinctive character, but it is still reasonably high in distinctiveness from an inherent perspective.

#### Conclusions on the likelihood of confusion

31) It is clear that all the relevant factors have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17) and that a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

32) The earlier marks have a range of degrees of similarity, but only from a very low to a low to moderate degree. The goods are identical. This may compensate for the mark(s) similarity being low. The marks are at least distinctive to a reasonably high degree, some are extremely high in distinctiveness. The goods are not highly considered ones. I should say immediately that the inclusion of the word BULZAI as the dominant and distinctive element in Kamal's mark renders

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<sup>3</sup> There is some use on invoices issued by RB, but these will not be seen by the average consumer.

direct confusion (whereby the marks are directly mistaken for one another) unlikely. If confusion is likely then it will be on the basis of the average consumer, whilst not being directly confused, putting the degree of similarity between the marks down to the responsible undertakings being the same or being related. This is often referred to as the “same stable” argument. RB relies on its earlier marks on an individual basis, but also on the basis of a family of marks; it argues that Kamal’s mark will be seen as part of its family. It is clear from the case-law that the use of a family of marks is a relevant factor to consider. The CJEU in // *Ponte Finanziaria SpA v OHIM* Case C- 234/06 stated:

“62 While it is true that, in the case of opposition to an application for registration of a Community trade mark based on the existence of only one earlier trade mark that is not yet subject to an obligation of use, the assessment of the likelihood of confusion is to be carried by comparing the two marks as they were registered, the same does not apply where the opposition is based on the existence of several trade marks possessing common characteristics which make it possible for them to be regarded as part of a ‘family’ or ‘series’ of marks.

63 The risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see *Alcon v OHIM*, paragraph 55, and, to that effect, *Canon*, paragraph 29). Where there is a ‘family’ or ‘series’ of trade marks, the likelihood of confusion results more specifically from the possibility that the consumer may be mistaken as to the provenance or origin of goods or services covered by the trade mark applied for or considers erroneously that that trade mark is part of that family or series of marks.

64 As the Advocate General stated at paragraph 101 of her Opinion, no consumer can be expected, in the absence of use of a sufficient number of trade marks capable of constituting a family or a series, to detect a common element in such a family or series and/or to associate with that family or series another trade mark containing the same common element. Accordingly, in order for there to be a likelihood that the public may be mistaken as to whether the trade mark applied for belongs to a ‘family’ or ‘series’, the earlier trade marks which are part of that ‘family’ or ‘series’ must be present on the market.”

33) In terms of the marks which “are present on the market”, the observations I made in paragraphs 28-30 highlight which marks I consider it appropriate to consider. They are: the words RED BULL, the RED BULL & device marks, the two butting bulls device mark. Mr Brandreth accepted that the family of marks put forward was not the classic example of a company using similarly constructed but varying trade marks; he nevertheless argued that RB had a family of BULL based marks. I do not agree. The marks with verbal elements all contain the words RED

BULL. There is, therefore, no pattern of marks based on the word BULL. They are based on the words RED BULL. The other mark consists of two butting bulls. This, plus the red bull marks, can hardly form much of a family. As opposed to marks with a common element, the butting bulls are merely part of the imagery of RB's primary marks. This does not establish, in my view, a family of marks that will have any significant effect on a likelihood of confusion.

34) Considered on an individual basis, I consider the "RED BULL" mark with the greatest potential to find in RB's favour to be:



35) The above mark at least has a bull (or more accurately two bulls) device towards the top of the mark, as does Kamal's mark. Even though both marks make reference to bulls in some way, the concepts which the average consumer will appreciate are based on a bull that is red against a bullseye. The goods are identical and there is an extremely high degree of distinctiveness. Kamal stated in its counterstatement that the reputation of RB's mark results in its mark being less likely to be confused; this cannot be accepted as it goes against what the CJEU stated in *Sabel BV v. Puma AG*. However, weighing all these points, I do not consider that the net effect will be confusion. I have no doubt that the earlier mark will be called to mind (a point I will come back to later), however, the presence of the word BULZAI as the dominant and distinctive element, together with the presence in the earlier mark of the words RED BULL, will not, in my view, lead the consumer to believe that the goods sold under the marks come from the same stable. The similarity between the marks (together with the other factors) may give the consumer cause to wonder, but they will not go on to assume that an economic link exists between the undertakings. I do not consider RB to be in any better position from the perspective of any of the other marks which include the words RED BULL.

36) I next consider the following two marks:



37) In terms of the first of the above marks, I found it to be similar to only a low degree but that it had a high degree of distinctive character. In relation to the second I found that it was similar to a low to moderate degree and that it had a reasonably high degree of inherent distinctive character. In my view, there is no likelihood of confusion with either mark. Even though there is a bull in Kamal's mark, I do not consider the average consumer will make a same stable assumption purely on the basis of this commonality when the inclusion of the word BULZAI is borne in mind. I am mindful that a trade mark may be dominated

by more than one of its components and, even, that an independent and distinctive non-dominant element may still cause confusion if it corresponds to the other mark. However, in this case, the common elements (the bull devices) do not correspond exactly, and whilst not ignoring the concept of imperfect recollection, it is not safe to assume that the average consumer will be confused and believe that there is an economic link. **There is no likelihood of confusion**<sup>4</sup>.

### **Section 5(3) of the Act**

38) Section 5(3)<sup>5</sup> of the Act 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 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.”

39) In order to succeed under this ground the earlier mark(s) must have a reputation. In *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572 Chevy the CJEU stated:

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”

40) Based on the various comments I have made throughout this decision it should come as no surprise that RB’s marks (those I identified earlier as marks i), viii), ix) & xi)) are considered to possess the requisite reputation. The reputation is a strong one with RB clearly being the market leader (for energy drinks) both in the UK and in a large number of EU member states.

41) In addition to having a reputation, a link must be made between the respective marks. In *Adidas-Salomon*, the CJEU stated:

“The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the

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<sup>4</sup> I have fully considered all of the earlier marks, but none put RB into any better position.

<sup>5</sup> Section 5(3) was amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the ECJ in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (“Addidas-Salomon”) (C-408/01)).

mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22, and *Marca Mode*, paragraph 40).”

42) In *Intel Corporation Inc v CPM (UK) Ltd* (C-252-07) (“*Intel*”), the CJEU provided further guidance on the factors to consider when assessing whether a link has been established. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...

42 Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public”.

43) I have already stated that RB’s mark will be brought to mind. Whilst the degree of mark similarity is at the lower end of the scale, the identical goods in play, the strength of RB’s reputation (and the inherent strength in the marks per se) combine so that a link will clearly be made. This is even more apparent when the red colour in the applied for mark is considered. The red re-enforces the link to RED BULL.

44) The link must, though, lead to one of the heads of damage set out in section 5(3). The primary claim is made on the basis of the taking, without due cause, of an unfair advantage (often referred to as “free-riding”). In Case C-487/07, *L’Oreal SA and others v Bellure NV and others* the CJEU defined what is meant by “unfair advantage”:

"41 As regards the concept of 'taking unfair advantage of the distinctive character or the repute of the trade mark', also referred to as 'parasitism' or 'free-riding', that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It 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.

50 In the light of the above, the answer to the fifth question is that Article 5(2) of Directive 89/104 must be interpreted as meaning that the taking of unfair advantage of the distinctive character or the repute of a mark, within the meaning of that provision, does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of the mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation 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."

45) RB must establish not only that there would be an advantage, but also that it is unfairly taken. It is to be noted that the CJEU refers to the third party seeking to take advantage, ie a conscious decision being made. The question of the unfair aspect was considered by Lloyd LJ in *Whirlpool Corporations and others v Kenwood Limited* [2009] EWCA Civ 753 :

"136. I do not consider that Kenwood's design involves anything like a transfer of the image of the KitchenAid mark, or of the characteristics which it projects, to the goods identified by Kenwood's sign (see *L'Oréal v Bellure* paragraph 41). Of course, as a newcomer in a specialist market of which KitchenAid had a monopoly, and being (necessarily) in the basic C-shape of a stand mixer, the kMix would remind relevant average consumers, who are design-aware, of the KitchenAid Artisan. That, however, is a very different phenomenon, in very different commercial circumstances, from the situation considered in *L'Oréal v Bellure*. I find the Court's judgment instructive, but it does not seem to me to lead to the conclusion in favour of Whirlpool for which Mr Mellor contends. On the contrary, having rejected his radical submission that the word "unfair" could just as well have been left out of the article, it seems to me that the decision points away from, rather than towards, liability under the article on the facts of the present case. It is not sufficient to show (even if Whirlpool could) that Kenwood has obtained an advantage. There must be



an added factor of some kind for that advantage to be categorised as unfair. It may be that, in a case in which advantage can be proved, the unfairness of that advantage can be demonstrated by something other than intention, which was what was shown in *L'Oréal v Bellure*. No additional factor has been identified in this case other than intention."

46) This matter was also considered by Mann J in *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch):

"160. Thus something more than mere advantage is required. It must be an unfair advantage. Lloyd LJ seems to state that an advantage is rendered unfair if it is intended. He also leaves open the possibility that unintended advantage may have a sufficient quality of unfairness about it to qualify."

(Also see *Datacard Corporation v Eagle Technologies Limited* [2011] EWHC 244 (Pat) at paragraphs 294 and 295.)

47) It is also worth considering what the GC stated in *Mäurer + Wirtz GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-63/07:

"40 It is possible, particularly in the case of an opposition based on a mark with an exceptionally high reputation, that the probability of a future, non-hypothetical risk of detriment to the earlier mark or of unfair advantage being taken of it by the mark applied for is so obvious that the opposing party does not need to put forward and prove any other fact to that end. However, it is also possible that the mark applied for does not, at first sight, appear capable of giving rise to one of the risks covered by Article 8(5) of Regulation No 40/94 with respect to the earlier mark with a reputation, even though it is identical with or similar to the earlier mark, in which case the non-hypothetical, future risk of detriment or unfair advantage must be established by other evidence, which it is for the opposing party to put forward and prove (Case T 215/03 *Sigla v OHIM – Elleni Holding (VIPS)* [2007] ECR II 711, paragraph 48)."

48) Kamal has not explained how it coined its mark. It referred in its counterstatement to bulls signifying energy, but this is not an obvious type of imagery to use for energy drinks. As I stated earlier, any evocativeness must be extremely mild. It refers to other bull marks on the register, but this tells me little either; there is no evidence of any use of them on the market. Given RB's position in the market, I consider it implausible that Kamal did not know of RB's reputation under the RED BULL marks. The first question that arises is whether any advantage is being taken. To that extent, it seems to me that a consumer encountering Kamal's mark will not only bring RB's mark to mind, but that the similarity between them is what will attract consumers towards it. Kamal's product is likely to be seen as a RED BULL alternative. Consumers may try it out on this

basis. There is, of course, nothing wrong in producing a RED BULL alternative. However using imagery similar to that of RED BULL with a view to attracting consumers towards it is a clear example of coat tail riding. Consumers are being attracted to Kamal's product without Kamal having to undertake any form of marketing or promotion. It will be benefiting from the considerable marketing effort that RB has made. Through the use of the mark Kamal has selected, it is benefitting from that marketing and RB's reputation. In addition, even though I have found that there was no likelihood of confusion, I still believe that a good proportion of the relevant public will at least wonder if there is an economic connection. This is further exemplification as to why Kamal will benefit from RB's reputation. That there is no explanation as to intent is enough, when all the circumstances are considered (including the strength of RB's reputation), to conclude that all of this is what was intended. The stronger the reputation and link the more likely that the damage will flow. This holds true here. The use of the mark would take unfair advantage of RB's reputation.

49) Kamal would have a defence if it could establish that it has a due cause. However, no evidence or arguments have been put forward to this effect. Kamal's use is not, therefore, with due cause. Kamal also states that RB's opposition policy is attempting to prevent competition in the energy drinks market. It is not clear what Kamal means by this. RB is entitled to oppose registration and is entitled to succeed in such opposition if the mark opposed takes unfair advantage of its reputation; I have found this to be the case on the facts before me.

50) The opposition succeeds under section 5(3) of the Act. In view of this there is no need to consider the ground under section 5(4)(a) of the Act. The opposition is successful.

### **Costs**

51) RB has been successful and is entitled to a contribution towards its costs. I hereby order Kamal Khanbabaei General Trading Co. L.L.C to pay Red Bull GmbH the sum of £2300. This sum is calculated as follows:

Preparing statement and considering the other side's statements  
£400

Opposition fee  
£200

Filing evidence  
£1000

Attending the hearing  
£700

52) The above sum should 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 16<sup>th</sup> day of December 2011**

**Oliver Morris  
For the Registrar,  
The Comptroller-General**