BLO/479/22

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NUMBER 3,505,157 IN THE NAME OF ANHEUSER-BUSCH LLC

AND IN THE MATTER OF THE OPPOSITION UNDER NUMBER 421,555 BY AMSTEL BROUWERIJ BV

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF CHARLOTTE CHAMPION (O/817/21) DATED 4 NOVEMBER 2021

DECISION

Introduction

1. This is an appeal from the decision of Ms Charlotte Champion, for the Registrar, dated 4 November 2021 (O/817/21). Amstel Brouwerij opposed the application of Anheuser-Busch to register the following trade mark (No 3,505,157) for beers, non-alcoholic beers and low alcohol beers in class 32:

2. The application was opposed under sections 3(1)(b), 3(1)(c) and 3(1)(d) of the Trade Marks 1994. The opposition under section 3(1)(b) and 3(1)(c) was successful despite Anheuser-Busch's claim its mark had acquired distinctiveness. The opposition under section 3(1)(d) failed. Anheuser-Busch appeals but does not challenge the finding its mark has not acquired distinctive character.

Standard of appeal

3. The standard of appeal is by way of review. Neither surprise at a Hearing Officer's conclusion nor a belief that he or she has reached the wrong decision will suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. The principles to be applied were recently summarised by Joanna Smith J in *Axogen Corporation v Aviv Scientific Ltd* [2022] EWHC 95 (Ch) at [24]:

> …I was referred to numerous cases on the subject (including *English v Emery Demibold & Struck Ltd* [2002] 1 WLR 2409, *REEF Trade Mark* [2003] RPC 5, *Fine & Country Ltd v Okotoks Ltd* [2014] FSR 11, *Fage UK Ltd v Chobani UK Ltd* [2014] EWCA Civ 5, *Shanks v Unilever Plc* [2014] RPC 29, *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17, *Apple Inc v Arcadia Trading Limited* [2017] EWHC 440 (Ch), *Actavis Group PTC v ICOS Corporation* [2019] UKSC 1671 and *NINEPLUS* O/039/21), the approach of the appeal court

to a statutory appeal under section 76(1) of the TMA is uncontroversial. I bear the following principles, relevant to the issues before me, firmly in mind:

i) The appeal is by way of a review, not a rehearing (see *TT Education Ltd v Pie Corbett Consultancy Ltd* (O/017/17) at [52(i)]);

ii) The appeal court will allow an appeal where the decision of the lower court was "wrong" (see CPR 52.11). Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffices to justify interference (*NINEPLUS* O/039/21 at [14]);

iii) The decision of the lower court will be "wrong" if the judge makes an error of law, which might involve asking the wrong question, failing to take account of relevant matters or taking into account irrelevant matters. Absent an error of law, the appellate court would be justified in concluding that the decision of the lower court was wrong if the judge's conclusion was "outside the bounds within which reasonable disagreement is possible" (*Actavis Group* at [81]);

iv) The approach required by the appeal court depends on a number of variables including the nature of the evaluation in question (*REEF Trade Mark* [2003] RPC per at [26]). There is a "spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision" (*TT Education* at [52(ii)]), with decisions of primary fact at one end of the spectrum and multi-factorial decisions … being further along the spectrum.

v) In the case of a multifactorial assessment or evaluation, involving the weighing of different factors against each other, the appeal court should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions (*TT Education* at [52(iv)], *REEF* at [28] and *Fine & Country* at [50]-[51]).

vi) An error of principle is not confined to an error as to the law but extends to certain types of error in the application of a legal standard to the facts in an evaluation of those facts. The evaluative process is often a matter of degree upon which different judges can legitimately differ and an appellate court ought not to interfere unless it is satisfied that the judge's conclusion is outside the bounds within which reasonable disagreement is possible (*Actavis Group* at [80]).

vii) Another variable to be taken into account will be "the standing and experience of the fact-finding judge or tribunal" (*REEF* at [26], *Actavis Group* at [78]). Expert tribunals are charged with applying the law in the specialised fields and their decisions should be respected unless it is quite clear that they have misdirected themselves in law. Appellate courts should not rush to find such misdirections simply because they might have reached a different conclusion on the facts (*Shanks* at [28] citing the warning given by Baroness Hale in *AH (Sudan) v Secretary of State for the Home Department* [2007] UKHL 49).

viii) The appellate court should not treat a judgment as containing an error of principle simply because of its belief that the judgment or decision could have been better expressed; "The duty to give reasons must not be turned into an intolerable burden" (see *REEF* at [29]). The reasons need not be elaborate. There is no duty on a judge, in giving her reasons, to deal with every argument presented by counsel in support of his case. It is sufficient if what she says shows the basis on which she has acted (*English* at [17], *Fage* at [115]). The issues the resolution of which were vital to the judge's conclusions should be identified and the manner in which she resolved them explained (*English* at [19]).

ix) In evaluating the evidence, the appellate court is entitled to assume, absent good reason to the contrary, that the first instance judge has taken all of the evidence into account (*TT Education* at [52(vi)]).

4. When considering this appeal, and applying these principles, it is important to remember the high bar set.

Grounds of appeal

5. While the grounds of appeal were in a narrative form, Anheuser-Busch essentially challenges the decision of the Hearing Officer on three grounds. First, the Appellant argues that the proper test to be applied to the assessment of whether the sign ULTRA is descriptive is to consider the notional use of that sign as a trade mark. Secondly, the Appellant submits that the Hearing Officer's descriptiveness assessment did not properly account for the perception of the word ULTRA by the relevant public. Finally, the Appellant suggests that the assessment by the Hearing Officer under section 3(1)(b) of the Trade Marks Act 1994 was wrong.

Notional use

6. Turning to the first ground of appeal, the Appellant's case is that the assessment of the descriptiveness of any sign should be based on its notional use. The Respondent submits that this was not the right approach as it assumed that the sign could function as a trade mark before assessing whether its descriptiveness precludes it from so functioning.

7. It is clear that the assessment of whether a sign can be refused under section 3(1)(c) of the Trade Marks Act 1994 is based upon whether the use of the sign would be easily recognised by the relevant public as providing information about the quantity, quality, characteristics, purpose or size of the goods in question rather than provide information as to the goods' origin: C-51/10 *Agencja Wydawnicza Technopol v OHIM* [2011] ECR I-1541, [50]. This exception exists because there is a public interest "that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is sought may be freely used by all": C-191//01 *OHIM v Wrigley (DOUBLEMINT)* [2003] ECR I-12477, [31] and the sign does not need to be exclusively descriptive of the goods in question (*DOUBLEMINT*, [33]).

8. Mr Stobbs, for the Appellant, criticises the Hearing Officer for linking to the good claimed the mark applied for, as she did in her Decision, [30]:

> Indeed, it is difficult to see how ULTRA low alcohol beer / ULTRA low calorie beer / ULTRA light beer / ULTRA pale ale, could avoid a persistent risk of being perceived as innately directly descriptive.

9. In short, Mr Stobbs says that the sign ULTRA cannot be descriptive until it has a subject noun associated with it. So ULTRA simpliciter is not descriptive of anything, but ULTRA low alcohol beer is descriptive of a very low alcohol beer. Thus, he submits, by associating the sign ULTRA with various types of beer, the Hearing Officer was improperly making the sign descriptive.

10. On the other hand, Mr Baran, for the Respondent, says that all the Hearing Officer was doing was combining the mark (ULTRA) with things covered by the specification. The Respondent is clearly right in this respect. Each of the examples presented by the Hearing Officer is covered by either "beers" or "low-alcohol beers" in the specification. I cannot see how the Hearing Officer can be criticised for testing out the sign with the relevant product to explain why she thought the use of the sign in relation to that product would be descriptive, particularly as these descriptors are those which are used by the relevant public. Indeed, it would be strange if the assessment of whether a sign was descriptive could not take into account the use of that sign in conjunction with the product it is said to describe.

11. I therefore reject this challenge to the Hearing Officer's decision.

The perception of the relevant public

12. The Appellant's second ground of appeal is that the relevant public is not accustomed to the word ULTRA being used on its own. Mr Stobbs refers me to T-360/00 *Dart Industries v OHIM* [2002] ECR II-3867 where the mark sought was ULTRAPLUS in relation to plastic oven wear; the Court of First Instance stated at [24 and 25]:

> In that regard it should be noted, on the basis of those definitions and the lexical rules applying to them, that if the term consisted of, for example, the prefix 'ultra' and an adjective, it could indeed be held that the adjective directly and immediately informs the consumer about a characteristic of the product and that, since the prefix merely reinforces the characterisation thus given to the product, a sign composed in this way is descriptive.
>
> However, in the present case, the word 'ultra' does not designate a quality, quantity or characteristic of the ovenware which the consumer is able to understand directly. That word, as such, is only capable of reinforcing the designation of a quality or characteristic by another word. Likewise, the word 'plus' does not in itself designate a quality or characteristic of the plastic ovenware concerned which the consumer is able to understand directly and which could be reinforced by the word 'ultra'.

13. He submits that, based on *Dart Industries*, the use of ULTRA likewise does not designate any quality or characteristic of the goods.

14. There is a long list of cases where the word ULTRA has been considered descriptive by the EUIPO Boards of Appeal (see R-483/2020-4 *DMG Mori*, 16 April 2020, [31] for such a list). However, I will refer to only the two cases Mr Baran directs me towards. In T-377/13 *ultra air v OHIM*, EU:T:2016:149 the General Court took the view that "Ultra Air" in relation to air filtration would be taken to mean ultra clean air or ultra-filtered air or air of extraordinary quality (see [19]) and these uses would all be descriptive. The other case he referred to was *DMG* where the sign ULTRA THERMAL PRECISION was considered to be laudatory and so descriptive ([17]-[21]).

15. It should be recalled that the Court of Justice has stated that a sign can still be rejected on the grounds of being descriptive even if no third party is currently using it in that way (DOUBLEMINT, [32]; also see T-307/07 *Hansgrohe v OHIM* [2009] ECR II-7, [29]). In any event, it is clear from Exhibit MLB2 that Ultra has been used descriptively on some alcoholic beverages (with products bearing the words "Ultra Pale Ale" and "Ultra Low Alcohol"). The question is, therefore, whether ULTRA on its own could be used descriptively in relation to beer.

16. Mr Stobbs submits that the mark ULTRA simpliciter falls within the second limb of *Dart Industries* as there is no other word in the sign. Indeed, he accepts that "Ultra Low Alcohol Beer" would be descriptive. The question, therefore, is whether when a consumer is faced with a beer with a particular identified characteristic (being low alcohol, non-alcoholic, pale, dark or whatever) would the use of the word ULTRA alone direct the consumer to think the beer possessed the identified characteristic to an extreme degree. I think the Hearing Officer was perfectly entitled to conclude that it would. It was briefly mooted in the hearing before me whether the use of ULTRA on a beer with no identified characteristic (the "bog-standard" beer as it were) would be descriptive as there was no particular characteristic to which ULTRA could refer. I do

not need to consider this question as the specification covers only beers generally (and so beers with a host of different characteristics) and beers with identified characteristics.

17. I accordingly reject the appeal against the Hearing Officer refusal to register the mark under section 3(1)(c).

Is ULTRA devoid of distinctive character?

18. The Hearing Officer also rejected the application under section 3(1)(b) of the Trade Marks Act 1994 on the grounds that the sign ULTRA was devoid of distinctive character. This rejection was also appealed. While it is not strictly necessary to consider the challenge on this ground as the application is already rejected under section 3(1)(c), I will do so for completeness.

19. Before moving on to the substantive ground, I should briefly address the pleading point raised by the Appellant. Mr Stobbs argued that the TM7 filed by the Respondent did not entitle it to independently object to registration under section 3(1)(b). The argument was flawed as the relevant box was ticked on the TM7 and there was clear pleading justifying a challenge under section 3(1)(b). The similarity of the concepts underpinning an objection under section 3(1)(b) and an objection under section 3(1)(c) does not negate the existence of an objection under both.

20. In relation to the substantive issue, it largely revolved around the Hearing Officer's reliance upon T-553/14 *Wrigleys v OHIM (EXTRA)*, EU:T:2015:459 (and the decision of the Board of Appeal below) (see Decision. [36]). This case related to an attempt to register the sign EXTRA with some figurative elements for chewing gum. In the case, the General Court stated at [20]:

> …it should be noted that the word 'extra' is an adjective meaning 'beyond or more than the usual, stipulated or specified amount or number; additional' and that it denotes a promotional or laudatory meaning for all the goods covered by the mark applied for. The typeface used for the word 'extra' is banal and the various tones used give the word only a slightly three-dimensional aspect. The stylisation of the word is thus simple. The figurative element of the sign applied for, consisting in a sphere or full circle divided into two halves in different tones, is a banal shape which will be perceived as a simple decorative element in the background. Thus, neither the figurative element of the sign applied for nor the stylisation of the word 'extra' will divert consumers' attention away from the clear message conveyed by the word. The mark applied for, as a whole, will therefore be perceived as a simple promotional message and not as an indication of the commercial origin of the goods at issue.

21. And the Board of Appeal below had stated (R 218/2014-5, 19 May 2014) at [15]:

> 'Extra' conveys a simple promotional and laudatory message, informing the relevant public that the goods applied for possess additional positive aspects which exceed the consumers' expectations. With respect thereto, it must be observed that basic adjectives or nouns that can serve in trade to describe numerous different goods or services or both are those without distinctive character at all. 'Extra' is such a word. As mentioned above, it is a basic laudatory expression, encouraging the consumer to buy products or hire services, because it advertises additional or further qualities which go beyond those generally expected. The nature of goods or services involved is indifferent; the presence of the word 'Extra' simply informs the public that the goods offered are special, being endowed with a particularly high quality.

22. Both EXTRA and ULTRA are modifying words and (in the absence of acquired distinctiveness) they are both laudatory and are without distinctive character at all.

There are many other words of this type and examples of such words (including ULTRA) are listed in the EUIPO Examination Guidelines, Section 4, Ch 3.2. While a word being included in the guidelines list cannot be conclusive evidence that a particular sign lacks distinctive character, it does mean that it is very difficult to see how the Hearing Officer was irrational (and so wrong) in reaching the conclusion that a word like ULTRA, which is included on that list, is devoid of distinctive character.

23. Furthermore, the reasons that ULTRA was rejected under section 3(1)(c) largely support the objection under section 3(1)(b) as well, but with more resonance. This is because Mr Stobbs's argument that ULTRA needs a subject noun to be descriptive falls away. ULTRA is a simple modifying word like many others (big, small, tall, short &c) and so is devoid of distinctive character. I entirely agree with the Hearing Officer's conclusion that the word ULTRA neither identifies one undertaking from another nor distinguishes the Applicant's products from those of other undertaking (Decision, [37]).

24. Accordingly, I dismiss the appeal on this ground as well.

Conclusion

25. I have dismissed the appeal in its entirety. I order the Appellant to pay the Respondent a contribution of £1,500 towards its costs in this appeal (in addition to the £3,400 ordered by the Hearing Officer below) within 21 days of the date of the order.

PHILLIP JOHNSON
THE APPOINTED PERSON
5 June 2022

Representation:
Julius Stobbs, Stobbs IP for the Appellant
Stuart Baran instructed by Osborne Clarke for the Respondent