O-498-14

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 3006369
BY
FUNKY DRINKS LTD

TO REGISTER THE TRADE MARK

IN CLASS 32

AND

THE OPPOSITION THERETO
UNDER NO 400851
BY
MELLO DRINKS LTD

BACKGROUND

1. On 16 May 2013, Funky Drinks Ltd (the applicant) applied to register the above trade mark in class 32 of the Nice Classification system, as follows.[1]

> **Class 32**
> Drink, fruit beverage, fruit juice; none of the aforesaid goods containing melon juice.

2. The application was published on 14 June 2013, following which, Mello Drinks Ltd (the opponent) filed a notice of opposition against the application.

3. The opposition is based on section 5(2)(b) of the Trade Marks Act 1994 (the Act). The opponent relies upon the following UK series mark registration:

Mark details and relevant dates	**Goods relied upon**
TM: 2597726 **Mark:** mello MELLO **Filed:** 13 October 2011 **Registered:** 20 January 2012	**Class 32** Fruit drinks and fruit juices; mineral and aerated waters; non-alcoholic drinks; syrups for making beverages; shandy, de-alcoholised drinks, non-alcoholic beers and wines.

4. The applicant filed a counterstatement on 25 November 2013. It denies the grounds on which the opposition is based.

5. Both sides filed evidence, neither side asked to be heard or filed written submissions in lieu of attendance at a hearing.

EVIDENCE

The opponent's evidence

Witness statement of Rose Aldean and Exhibits 1 – 4

6. Ms Aldean is the Director of Mello Drinks Ltd [the opponent]; her statement is dated 27 January 2014.

[1] *International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).*

Applicant's evidence

Witness statement of Mark Abrams and Exhibits 1 – 3

7. Mr Abrams is the co-founder and Director of Funky Drinks Ltd [the applicant]; his statement is dated 22 April 2014.

Opponent's evidence in reply

Second witness statement of Rose Aldean

8. Ms Aldean's second statement is dated 3 July 2014.

9. The parties' statements consist, for the most part, of submissions. Exhibits attached to the statements comprise a small number of emails between the parties and four prints from the internet.

10. For reasons which will become apparent later in this decision I will not itemise them here but will refer to the submissions where necessary below.

DECISION

11. The opposition is brought under section 5(2)(b) of the Act which reads as follows:

> "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, orthere exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

12. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

> "6.-(1) In this Act an 'earlier trade mark' means -
>
> (a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) 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.
>
> (2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered."

13. I note that the applicant has requested that the opponent provide proof of use of the mark on which it relies. Requests are made in both its counter-statement and in Mr Abrams' witness statement. However, the opponent's mark is an earlier mark, which is not subject to proof of use because, at the date of publication of the application, it had not been protected for five years.[2] Consequently, the opponent is entitled to rely on its full specification.

Section 5(2)(b) case law

14. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG,* Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc,* Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV,* Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM,* Case C-334/05P and *Bimbo SA v OHIM,* Case C-591/12P.

The principles

(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 be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent

[2] *See section 6A of the Act (added by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004: SI 2004/946) which came into force on 5th May 2004.*

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

The average consumer and the nature of the purchasing act

15. In accordance with the above cited case law, I must determine who the average consumer is and also identify the nature of the purchasing process. The average consumer is reasonably well informed and reasonably circumspect and observant but with a level of attention likely to vary according to the category of goods. The attention paid is likely to vary depending on price and, to some extent, the nature of the goods and the frequency of the purchase.

16. The average consumer is a member of the general public. The goods are made available through a variety of trade channels. They may be bought in a shop, supermarket, off-licence or health food shop. The selection is likely to be made by the consumer from a shelf or from a website or mail-order catalogue, where the consumer will also select the goods visually. They may also be sold through bars, clubs and public houses, where the goods may be requested orally, from a member of staff. In considering this point I bear in mind the comments of the Court of First Instance (now the General Court) in *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*[3] when it said:

> "In that respect, as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant's goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel. In addition, even though consumers can

[3] *T-3/04*

order a beverage without having examined those shelves in advance they are, in any event, in a position to make a visual inspection of the bottle which is served to them."

17. Consequently, even though the purchase of these goods in a bar may involve an aural element, the selection will be made, primarily, from the display of goods on shelves, in fridges and on optics at the back of the bar. Accordingly, the purchase of such goods is primarily visual, though I do not discount an aural element. In any event the level of attention paid will be that necessary to achieve inter alia, the correct flavour/variety and possibly nutritional content. Accordingly, the average consumer will pay a reasonable level of attention.

Comparison of goods

18. The goods to be compared are as follows:

The opponent's goods	**The applicant's goods**
Class 32 Fruit drinks and fruit juices; mineral and aerated waters; non-alcoholic drinks; syrups for making beverages; shandy, de-alcoholised drinks, non-alcoholic beers and wines.	**Class 32** Drink, fruit beverage, fruit juice; none of the aforesaid goods containing melon juice.

19. Throughout its evidence the applicant seeks to draw a distinction between the products sold by the two parties to these proceedings. It describes its own offering as an herbal based chill out/mellow soft drink which contains a wet herbal extract, natural flavouring, fruit juice and fruit concentrates. It describes the opponent's goods as 'two varieties of pure melon juice' and concludes that they will not be confused. In comparing the goods and making the necessary assessment I must consider the opponent's specification as registered, as it is not subject to proof of use requirements. This must be compared with the applicant's specification as it appears above.

20. I bear in mind the following guidance provided by the General Court (GC) in *Gérard Meric v OHIM,* Case T-133/05:

> "29. …goods can be considered identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark."

21. The applicant's goods, 'fruit beverage, fruit juice; none of the aforesaid goods containing melon juice', are included within the opponent's fruit drinks and fruit juices. The remaining term, 'drink' is a broad term which includes all of the opponent's goods. Consequently, in accordance with *Meric*, the parties' goods are identical.

Comparison of marks

22. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union 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."

23. It would be wrong, therefore, to dissect the trade marks artificially, 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.

24. The respective trade marks are shown below:

The applicant's mark	**The opponent's mark**
 The mark is in two colours being Pantone 2735 U and 2707 U.	mello MELLO

25. The opponent's mark consists of a series of two marks, both of which comprise a single element. The first is the word 'mello', in lower case with no form of stylisation and the second is the word 'MELLO' with no form of stylisation in block capitals. Consequently, the overall impression in both cases is based solely on this word.

Throughout the remainder of this decision I will refer to the opponent's earlier mark as 'MELLO' by which I intend to refer to both the upper and lower case versions of the mark.

26. Paragraph 11 of the applicant's witness statement suggests that it is under the impression that its mark is to be compared with "mello" watermelon. The only element in the earlier mark relied on is 'MELLO' and that is what must be compared with the mark applied for.

27. The overall impression of the applied for mark is made up of the letters 'MEL', followed by an image of an animal's head, all of which are presented in purple. The letters MEL are slightly stylised. This element of the mark is presented above the word 'meditate' which is presented in smaller letters, in white, on a purple lozenge shaped background. Below the two word elements of the mark is an image of an animal sitting in what appears to be a cross-legged position, with its arms extended above its head in a prayer position.

28. The applicant submits that the words are 'melo meditate' in distinctive writing with a sloth character attached. The style and presentation of the animal head at the end of the letters 'MEL' does not prevent it from being seen as the letter 'O'. It is the same size as the preceding letters and is paler in the centre. In my view, the average consumer will see the first word as 'MELO', the stylisation of which contributes less in terms of relative weight than the word itself which is significant within the mark as a whole. The words 'MELO' and 'meditate' do not hang together, they are presented differently, with the second word subservient to the first. The 'sloth' device clearly makes a strong contribution to the overall impression of the mark applied for taking up over half of the total mark. Overall there is no single element which strongly dominates the others, though the word 'MELO' and the device element of a sloth provide a slightly higher degree of relative weight in the overall impression of the applicant's mark than the word 'meditate', which is smaller and in a subservient position to the first word, 'MELO'.

Visual similarities

29. Visually, the elements I have identified in the preceding paragraphs as contributing to the respective overall impressions of the marks result in a number of differences between them. Not least, the visually distinctive 'sloth' device contained in the mark applied for and the additional word 'meditate' which follows the word 'MELO'. With regard to visual similarity, this rests in the fact that the totality of the earlier mark, 'MELLO' is similar, having four letters in common, to the first word of the mark applied for, namely, 'MELO'. The overall impression created by the respective marks is somewhat different. Consequently, there is only a low degree of visual similarity between them.

Aural similarities

30. The degree of aural similarity is higher than the visual similarity. The totality of the earlier mark and the first word of the mark applied for will be pronounced identically. That is, ME (as in MEND) and LOW (as in LOWER). In addition, the mark applied for includes the word 'meditate' below the word 'MELO' which is likely to be

articulated, resulting in a moderate degree of aural similarity between the competing marks.

Conceptual similarities

31. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.[4] The assessment must be made from the point of view of the average consumer.

32. The applicant makes several references to the fact that the opponent's mark is a play on the word 'melon' as its goods are melon juice. In my view, the additional letter 'L' in the opponent's mark reduces the likelihood of an association being made between 'melon' and 'MELLO'. If the earlier mark is considered by the average consumer to allude to a word, it is more likely to be the word 'MELLOW', particularly as they are aurally identical.

33. The parties' marks share a conceptual similarity in that they both allude to the common English word 'mellow' and a state of relaxation. The applicant's mark clearly intends to send a message of relaxation and meditation in the words, which is further reinforced by the sloth sitting in what appears to be a cross-legged position with its arms in a praying position. Aurally the opponent's mark is identical to the English word 'MELLOW' and it is this message which will be left in the mind of the average consumer. I find these marks to share a medium degree of conceptual similarity.

Distinctive character of the earlier mark

34. In determining the distinctive character of a trade mark it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify its goods as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger Joined Cases C-108/97 and C-109/97* [1999] ETMR 585. This is because the more distinctive the earlier mark(s), based either on inherent qualities or because of use made, the greater the likelihood of confusion.[5]

35. The opponent's mark, 'MELLO' is likely to be seen by the average consumer as a reference to the common English word 'MELLOW', which is neither descriptive nor allusive of the goods at issue and enjoys a medium level of inherent distinctive character.

Likelihood of confusion

36. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind.[6] I must also keep in mind the average consumer for the goods, the nature of the purchasing process and have regard to the interdependency principle

[4] *This is highlighted in numerous judgments of the GC and the CJEU including Ruiz Picasso v OHIM [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.*
[5] *Sabel v Puma, paragraph 24 and Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*
[6] *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V, paragraph 27*

i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa.

37. I have found the parties' marks to share a low degree of visual and a medium degree of aural and conceptual similarity. I have found the earlier mark to have a medium level of inherent distinctive character.

38. I have found the applicant's goods to be identical to the opponent's goods.

39. Both parties' marks are 'MELLOW' marks, both containing an allusion to the word 'MELLOW' which is achieved by being aurally identical to that word, but with a (presumably deliberate) misspelling. Given the respective conceptual impressions provided by the marks, when encountering them the average consumer may misremember what the mark was that they had encountered previously, giving rise to direct confusion.

40. In any event, if I am found to be wrong in this, I am mindful of *L.A. Sugar Limited v By Back Beat Inc*[7], in which Mr Iain Purvis Q.C. sitting as the Appointed Person noted that:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: 'The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.'
>
> 17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:
>
> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ('26 RED TESCO' would no doubt be such a case).
>
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.).

[7] *Case BL-O/375/10*

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

41. In my view, the addition of the word 'meditate' in the applicant's mark does fall squarely within the types of indirect confusion identified in *LA Sugar,* particularly the brand extension point. It adds a word to the common element, MELO/MELLO, of the type one would expect to see in goods of the type at issue here. In my experience, it is not uncommon to see drinks which contain ingredients such as caffeine and are described as energising, and drinks which are caffeine free or contain herbs such as chamomile or ginseng and are described as relaxing or cleansing. In my view, these are 'MELLOW' marks, in which the common element 'MELO' or 'MELLO' would lead to the average consumer making a connection between them that would result in a belief that the goods are being provided by an economically linked undertaking.

Conclusion

42. The opposition succeeds.

Costs

43. The opponent has succeeded and is entitled to an award of costs in its favour. I bear in mind, in making an award, that a small amount of evidence was filed and that it did not assist me in making a decision.

I make the award on the following basis:

Preparing a statement and considering the other side's statement	£300
Preparing and filing evidence/written submissions	£200
Official fee:	£200
Total	£700

44. I order Funky Drinks Ltd to pay Mello Drinks Ltd the sum of £700. This sum is 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 26th day of November 2014

Ms Al Skilton
For the Registrar,
the Comptroller General