

BLO/543/17

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3169071
BY PREORDERS DISTRIBUTION LTD FOR THE TRADE MARK**

MONSTA
M C O V E R

IN CLASS 12

AND

**THE OPPOSITION THERETO UNDER NUMBER 408027
BY
MONSTER ENERGY COMPANY**

Background

1. On 10 June 2016, Preorder Distributions Ltd (“the applicant”) filed trade mark application number 3169071, for the mark shown below, in respect of *vehicle covers (shaped)*, in class 12:

MONSTA
M C O V E R

2. The application was accepted and published in the *Trade Marks Journal* for opposition purposes on 9 September 2016. Monster Energy Company (“the opponent”) opposes the applications under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). For section 5(2)(b), the opponent relies upon the following earlier trade mark registrations:

i) 1048069 (international registration designating the EU)



Class 18: *All purpose sports bags; all-purpose carrying bags; backpacks; duffle bags.*

Date of designation of the EU: 28 June 2010; date of protection in the EU: 21 July 2011.

(ii) EUTM 11669744

MONSTER ENERGY

Class 9: Protective covers and cases for cell phones, laptops, tablets, portable media players and other electronic devices, namely, mobile phones, smartphones, media players, music players, computers, and portable electronic devices; earphones and headphones; protective ear coverings, namely helmets; eye glasses, eye glass cases, sunglasses, sunglass cases.

Class 28: Protective covers and cases for other electronic devices, namely hand-held video game systems.

Filing date: 19 March 2013; date registration procedure completed: 24 October 2013.

3. The opponent claims that the similarity of the parties' marks and goods leads to a likelihood of confusion. It relies upon 11669744 to support its section 5(3) claim, in respect of "Class 9: Helmets, protective clothing for sports, protective covers." I note that this wording is not replicated from the earlier mark's class 9 specification. The opponent claims that use of the applicant's mark would take unfair advantage of the distinctive character and repute of its mark, and/or cause detriment to the distinctive character and/or repute of its mark. The opponent states:

"... the Opponent has widely promoted its Earlier Trade Marks on beverages, apparel and merchandise (including clothing). Furthermore, the Opponent has sponsored athletes and sports competitions, in particular motorbike and bicycle sports races, around the world including the UK (which includes vast media and Internet coverage, in magazines, on the MONSTER ENERGY and other Internet websites, in publications, through the sponsorship of music festivals and musicians, and through the distribution of point of sale and promotional materials. The support vehicles used in those sponsored events are heavily branded displaying the Opponent's brands. The Earlier Trade

Marks are the subject of substantial and continuous marketing and promotion.”

4. Under section 5(4)(a) of the Act, the opponent claims that use of the applicant’s mark is liable to be prevented under the law of passing off, owing to its goodwill attached to the sign MONSTER, which it claims to have used throughout the UK since 2008, in respect of “Energy beverages, sponsorship of sports events and clothing.” The opponent states:

“... the Opponent’s goods under the MONSTER trade marks were first distributed in the UK in 2008. It was first distributed in the UK by Coca Cola Enterprises around London and surrounding areas. Since then the MONSTER trade marks have been used in respect of a variety of energy and health enhancing performance products throughout the UK. Furthermore, the Opponent is one of the top sponsors of races such as F1 Racing, MotoGP and Supercross. The Opponent’s MONSTER marks are regularly displayed on the athletes’ racing suits and apparel, as well as the body works of cars, motorbikes and bicycles.”

5. The applicant filed a defence and counterstatement, stating:

- 1) A search for the term 'Monster' alone brings back over 1000 results on the IPO website. There are many famous examples excluding 'Monster Energy'. There are too many to mention and these have been granted internationally.
- 2) Due to the over use of the term 'Monster' in branding, We have used the term 'Monsta' to differentiate our brand.
- 3) We already own trade mark Monster-Cover. UK00002605342
- 4) The opposer has a trademark for the term 'Monster Energy' and not the implied term 'Monster' and therefore certainly not the term proposed 'Monsta'
- 5) The goods in section 12 are not similar to goods in class 9 and 28, a large cover for a motor vehicle is very different from a case for a phone or glasses. A normal consumer would know the difference and not be confused as to which is which.
- 6) The Term 'Monster' has been trademarked way before the opposer filed a trademark using the word. Trademark EU000706655 entered the register 27/August/1997 for the term 'Monster' alone.
- 7) There is only 1 register entry for the Term 'Monsta' Please see entry EU002879591
- 8) There is a vast difference in trademark logos, the average consumer could easily differentiate the 2.

6. The opponent is professionally represented by Bird & Bird LLP, whilst the applicant represents itself.

7. Both parties filed evidence and the opponent filed written submissions with its evidence. Both parties filed written submissions in lieu of a hearing. The opponent has requested that the applicant's submissions in lieu of a hearing are not taken into account because they were filed a day late. Dates given to parties for the filing of written submissions in lieu of a hearing are not statutory dates. Whilst I appreciate that a party filing its submissions a day after the other party has filed submissions means that the 'late' party will have seen the other side's submissions, in this case the applicant's submissions are brief and cannot be said to take advantage of having seen the opponent's submissions. It would be disproportionate and unfair to shut out the applicant's submissions for the sake of a day, especially when the deadline is an administrative, not a statutory, date. I make this decision having considered all the papers filed.

Evidence

8. The opponent's evidence comes from Rodney Sacks, the opponent's Chairman and Chief Executive Officer, based in California, which is where the opponent is located. For its section 5(3) and 5(4)(a) grounds, the opponent is required to show reputation and goodwill in the UK. Mr Sacks' witness statement runs to thirty pages of small, closely-typed text and adduces exhibits totalling 261 pages. There is plenty of detail about the opponent's trade in the US and the EU. The latter would have been relevant if the applicant had put the opponent to proof of use of its international registration designating the EU (which had been protected for more than five years on the date on which the application was published), but it hasn't. Exhibits RCS-1, RCS-2 and RCS-3, consisting of articles and reports about the opponent and its marks, are entirely US-centric. Mr Sacks states that the magazines are widely available in the EU and so EU customers would have been aware of the marks prior to the UK launch in 2008. This is an unsubstantiated assertion. These exhibits do not show that the marks had a reputation in the UK prior to 2008. Even if the earlier marks had a reputation in the EU at the relevant date, this does not show that there

is a reputation in the UK sufficient a) to cause a link and b) to lead to one or more of the heads of damage. EU trade does not establish goodwill in the UK.

9. I will give a flavour of the opponent's evidence, insofar as it is relevant to the UK.

10. Exhibit RCS-4 shows the opponent's stylised mark on cans of drink which Mr Sacks states have been available in the UK since 2008.

11. Exhibit RCS-5 includes a print of a slide from a presentation giving market share information. There is a photo of a range of drinks bearing the stylised mark in a Nisa store. During the last three months of 2015, Monster Energy had a 13.1% of the UK market for energy drinks. The information is attributed to Nielsen. Similar figures are shown in Euromonitor reports in Exhibit RCS-6.

12. Mr Sacks gives sales figures for drinks in the UK, as follows:

2014	€41.3 million
2013	€36.8 million
2012	€75.9 million
2011	€41.3 million
2010	€22.6 million
2009	€8.7 million

13. Mr Sacks states that the opponent does not advertise directly on the television or radio but, instead the marks receive exposure on the internet, television, in magazines and at events via its sponsorship and endorsement. Exhibit RCS-7 comprises copies of photographs of sportsmen which appear to have been on the opponent's US version of its website on 17 November 2015. Nevertheless, they feature UK sportsmen as follows: Tom Sykes (Superbike racer), with the stylised mark across his jacket; Lewis Hamilton (Formula 1 driver), with the mark on his helmet; Liam Doran (Rallycross driver), with the mark across his t-shirt; and Harry Main (BMX rider), with the mark on his helmet.

14. Mr Sacks explains that the opponent's advertising is all about image, which he states to be edgy and aggressive and that, likewise, it chooses to sponsor and endorse edgy and aggressive sports and athletes, so as to make the mark attractive or 'cool' to its target customers, who he says are young males. Events and sports such as F1 Racing, MotoGP, Supercross and UFC are international in nature and feature globally on television, on the internet and in the media. In addition to the individual athletes wearing apparel bearing the stylised mark, it appears on trackside banners and the press and podium backdrops etc. Exhibits RCS-9 and RCS-10 comprise copies of photographs from such events which are undated and unspecified as to location.

15. Mr Sacks states that, since March 2010, the opponent has sponsored the Mercedes AMG Petronas F1 team, with the stylised mark featuring on race suits, helmets and drivers' drink bottles. Exhibit RCS-11 shows some photographs of such use. The UK is one of the top 5 viewing nations of the Formula 1 race series. The UK F1 race is held at Silverstone each year and, in 2013, over 294,000 people attended. The stylised mark received extensive coverage in the media as a result of this event being televised, along with the other races in the series. Similar evidence is given in relation to MotoGP, the premier motorcycling world championship, the world motocross championships, Speedway Grand Prix, World Superbike, including races in the UK, and British Superbike Series. The opponent also sponsors UFC, and the individual martial arts fighters, such as Conor McGregor; it sponsored the Dakar Rally from 2011 to 2015, the Isle of Man TT since 2010, European Rallycross since 2013 and other such events.

16. Sponsorship of individuals includes, or has included, Valentino Rossi, Jorge Lorenzo, Michael Schumacher, Lewis Hamilton, Nico Rosberg, Jensen Button and Conor Macgregor (Exhibit RCS-30).

17. Mr Sacks states that, since 2002, the opponent has used its marks in the UK on clothing, which he casts as merchandise to create exposure for the brand. There are no exhibits showing such goods (other than sponsorship clothing worn by the sportsmen, described above).

18. The applicant's evidence comes from Harveer Klair, its Director. He shows a photograph of a motorbike cover bearing another mark owned by the applicant, which includes the word MONSTER. He states that sales of this product were poor, stating that if there was no sales advantage with this mark, then the same applies, but more so, in respect of the present application. The remainder of Mr Klair's statement consists of general statements about the proliferation of marks which include the word Monster, and submissions to the effect that it is a common word, the goods are not similar, and that consumers would not be confused.

Decision

Section 5(2)(b) of the Act

19. 5(2)(b) of the Act states:

“(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.”

20. 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 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods and services

21. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

22. ‘Complementary’ was defined by the GC in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”

23. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* ("*Treat*") [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

24. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

25. The opponent's international registration designating the EU (the stylised mark) had been registered for five years (and more) at the date on which the contested application was published, making it subject to the proof of use provisions under section 6A of the Act. However, the applicant ticked the 'no' box on its notice of defence (form TM8) in answer to the question as to whether the applicant wished the opponent to provide proof of use. The consequence of this is that the opponent may rely upon all the goods in the registration without having to prove that it has made genuine use of them.

26. The goods to be compared are:

Earlier marks	Application
 <p>Class 18: <i>All purpose sports bags; all-purpose carrying bags; backpacks; duffle bags.</i></p> <p>MONSTER ENERGY:</p> <p>Class 9: <i>Protective covers and cases for cell phones, laptops, tablets, portable media players and other electronic devices, namely, mobile phones, smartphones, media players, music players, computers, and portable electronic devices; earphones and headphones; protective ear coverings, namely helmets; eye glasses, eye glass cases, sunglasses, sunglass cases.</i></p> <p>Class 28: <i>Protective covers and cases for other electronic devices, namely hand-held video game systems.</i></p>	<p>Class 12: <i>vehicle covers (shaped).</i></p>

27. I agree with the applicant that the parties' goods are not similar. Bags in Class 18 are items of luggage, handbags etc. These are even further removed from shaped vehicle covers. Covers for objects usually follow the form of the object, or are a close fit. None of the opponent's goods come remotely close to shaped covers for vehicles, so they do not share the same nature, other than at a high level of generality inasmuch as they are all covers. One would not find shaped vehicle covers sharing trade channels with the opponent's covers. The respective goods are

for covering very different items. They are not in competition; one could not use any of the opponent's goods to cover a vehicle (and vice versa) and they are not complementary, according to the case law set out above.

28. A likelihood of confusion presupposes that there is some level of similarity between goods and services (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*, paragraph 22). Therefore, the opposition under section 5(2)(b) of the Act is bound to fail because the parties' goods are not similar. However, it is convenient to compare the marks and consider the other factors in the global comparison because such issues are relevant to the opponent's other grounds.

The average consumer and the purchasing process

29. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

30. The average consumer of the goods and services at issue is a member of the general public. Visual considerations will be the most important part of the selection process, to ensure the product is fit for purpose and of a pleasing design, although I bear in mind that there may be an aural aspect to the purchasing process, e.g. if advice is sought prior to purchase. The degree of care the average consumer will display when selecting the goods is likely to vary depending on the type of bag or cover being purchased, but will be of a normal/reasonable level.

Comparison of marks

31. 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.”

32. 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. The marks to be compared are:

Earlier marks	Application
 <p>MONSTER ENERGY</p>	

33. MONSTA is the largest and most prominent part of the applicant’s mark. However, the other elements also contribute to the overall impression, and are far from negligible. Even though COVER is descriptive (as acknowledged by the applicant), it is set out with large spaces between the letters, spanning the width of MONSTA. A star forms the gap in the letter A at the end of MONSTA and there is a small M replacing the lower part of the first upstroke of the letter M. These all

combine to form the overall impression of the mark, whilst the word MONSTA is the most dominant and distinctive element and, therefore, has the greatest weight within the mark.

34. The opponent's stylised mark is also composed of several elements. The largest component is the claw device. The word ENERGY carries the least amount of weight in the mark, being positioned at the bottom of the mark and in smaller lettering than the word MONSTER. This word has a device which looks like a cross intersecting the letter O. By virtue of its size, prominent position in the mark and its appearance, the claw device is the most dominant and distinctive part of the mark, although all the elements contribute to the overall impression.

35. MONSTER ENERGY is composed of two elements, which combine to form a phrase. Neither element is more dominant over the other in the overall impression of the mark. The opponent submits that MONSTER is the dominant and distinctive element of its earlier marks because ENERGY is a weak term for the goods covered by the earlier marks, but does not explain why. I cannot see how it describes or alludes to the goods relied upon for its section 5(2) grounds (the opponent's notice of opposition, form TM7, specifies that it relies upon some of the goods for which its earlier marks are registered).

36. There are more visual differences between the stylised earlier mark and the applicant's mark than there are visual similarities. The only similarity between the marks is that they both contain a word which begins MONST-. However, the scripts in which those words are written are very different: the applicant's is bold and modern, whilst the opponent's is quasi-Gothic in style. Further, the O in MONSTER is a device in its own right, which looks completely different to the O in MONSTA. Additionally, the earlier mark has an emphasis on vertical appearance, whilst the applicant's mark is more horizontal. Overall, there is very little visual similarity.

37. There is no stylisation in the other earlier mark, MONSTER ENERGY. Again, the only point of similarity between the marks is the shared letters MONST-. There is a low degree of visual similarity between the marks taking into account the different second words, and the presentation of the applicant's mark.

38. There is a greater level of aural similarity because presentation and devices do not feature when the marks are spoken. It is, therefore, a comparison between MONSTA COVER and MONSTER ENERGY for both of the earlier marks. Despite the different endings of MONSTER and MONSTA, these words sound identical or near-identical. They will be the first word spoken. Balancing this with the fact that the second word in each mark is different, there is a medium level of aural similarity.

39. The concept of the earlier marks is of a huge amount of energy, or of strong energy. The jagged claw device and the script used for MONSTER in the earlier international registration is reminiscent of gothic horror and reinforces the idea of fierceness and strength.

40. COVER in the applicant's mark has an obvious meaning. Without this word, it is possible that the spelling of MONSTA would not be approximated to MONSTER. However, COVER gives context and, in my view, makes it more likely that the meaning of MONSTER will be attributed to MONSTA. The concept of the mark will, in this scenario, be of a huge or strong cover.

41. Comparing the parties' marks conceptually, they both share the MONSTER concept. In the context of the second word in each mark, the concepts are huge or strong energy (the opponent's marks) and a huge or strong cover (the applicant's mark). The conceptual similarity will be low because, despite the MONSTER meaning, the second words which MONSTER qualifies have completely different meanings. If MONSTA is not approximated to MONSTER, there is no conceptual similarity.

Distinctive character of the earlier marks

42. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*¹ the CJEU stated that:

¹ Case C-342/97

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

43. One of the principles which must be taken into account in deciding whether there is a likelihood of confusion is that 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. With this in mind, I need to assess whether the use made of the earlier marks has improved their distinctiveness levels to any meaningful degree. The relevant date for this assessment is the filing date of the contested application, 10 June 2016.

44. I remind myself that the goods relied upon for section 5(2)(b) of the Act are class 18: *all purpose sports bags; all-purpose carrying bags; backpacks; duffle bags;* class 9: *protective covers and cases for cell phones, laptops, tablets, portable media players and other electronic devices, namely, mobile phones, smartphones, media players, music players, computers, and portable electronic devices; earphones and headphones; protective ear coverings, namely helmets; eye glasses, eye glass*

cases, sunglasses, sunglass cases; and class 28: protective covers and cases for other electronic devices, namely hand-held video game systems.

45. The stylised mark is primarily used in relation to energy drinks, and the opponent sponsors various sporting events and athletes using the stylised marks, which appear on helmets (as well as on racing clothing and trackside advertising). However, the opponent does not sell helmets. The sales figures are for its energy drinks. I find that the evidence supports a reputation in the stylised mark, but not for the goods relied upon for section 5(2)(b). There is no evidence of the plain word mark being used.

46. Consequently, I have only the inherent distinctiveness of the marks to consider. The stylised mark has a good deal of distinctive character as a whole. The word MONSTER is averagely distinctive, and this is the only possible point of convergence between the earlier stylised mark and the applicant's mark. The earlier word-only mark has an average degree of distinctive character but, again, it is only the MONSTER element which is similar to any part of the applicant's mark.

Likelihood of confusion

47. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). As I said earlier, I have found that the parties' goods are not similar, which means that there is no likelihood of confusion. Even if I am wrong about that and there is a low level of similarity on the basis that the parties' goods are covers, the low level of similarity between the marks in what is primarily a visual purchase and the different dominant and distinctive components, coupled with the no more than average degree of distinctiveness in the common element, would lead me to conclude that there is no likelihood of confusion with either earlier mark.

48. The section 5(2)(b) ground fails.

Section 5(3) of the Act

49. The opponent submits that the counterstatement, reproduced above, does not deal with the opponent's section 5(3) and 5(4)(a) grounds, so concludes that the applicant does not dispute the reputation enjoyed by the earlier marks. I do not think that the counterstatement can be construed that way; the applicant (personified by Harveer Klair) is clearly not au fait with trade mark law and is unlikely to have understood the differences between the grounds, other than the basic idea of confusion, to have specifically addressed issues to which a trade mark professional would be alive.

50. Section 5(3) states:

“(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 or international trade mark (EC), 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.”

51. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

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

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

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

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

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

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

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

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in

such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

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

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

53. The first condition is reputation. For its section 5(3) ground, the applicant relies upon only one of its earlier marks, EUTM 11669744, which is its word-only MONSTER ENERGY mark. This mark is registered for the following goods in class 9:

Protective covers and cases for cell phones, laptops, tablets, portable media players and other electronic devices, namely, mobile phones, smartphones, media players, music players, computers, and portable electronic devices; earphones and headphones; protective ear coverings, namely helmets; eye glasses, eye glass cases, sunglasses, sunglass cases.

54. I note that the Tribunal pointed out to the opponent when it served the notice of opposition on the applicant that, having pleaded a single earlier mark under section 5(3) on the statutory form TM7, the opponent had referred to earlier marks in its statement of case and to more goods than are relied upon in its notice of opposition. No amendment or clarification was made by the opponent. The opponent's case is taken to be that which it pleaded in its statutory form TM7. The goods relied upon for this ground are:

‘Class 9: Helmets, protective clothing for sports, protective covers’.

The class 9 registered goods do not include protective clothing for sports. The wording of section 5(3) was amended by regulation 7 of The Trade Marks (Proof of Use etc.) Regulations 2004 which removed the reference to the goods and services being dissimilar. The Explanatory Note to the Regulations says (my emphasis):

“Regulation 7 repeals section 5(3)(b) and amends section 10(3) of the Act. These amendments implement the decision of the European Court of Justice in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* of 9th January 2003 (C-292/00) which was confirmed by its decision in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* of 23rd October 2003 (C-408/01). Those decisions determined that Article 5(2) of the Directive, which on the face of it, grants a right to the proprietor of a trade mark to prevent third parties from using an identical or similar trade mark in relation to goods or services which are *not similar* where the earlier trade mark has a reputation and the use of that sign takes unfair advantage or is detrimental to the distinctive character of that earlier trade mark, also applies to goods or services which are similar or identical to those for which the earlier trade mark is registered.”

55. The CJEU gave guidance in relation to assessing reputation in *General Motors* (my emphasis):

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. 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.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular 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.”

56. Therefore, the ground can only be considered against goods for which the earlier mark is registered, and which are relied upon.

57. When I assessed the distinctive character of the earlier marks under section 5(2)(b) of the Act, I said that the stylised mark is used in relation to energy drinks, and the opponent sponsors various sporting events and athletes using the stylised marks, which appear on helmets (as well as on racing clothing and trackside advertising). The opponent has a reputation in relation to the stylised marks for energy drinks. However, these are not covered by the registration relied upon for this ground. The opponent does not sell helmets and does not have a reputation for helmets. There is no evidence in relation to class 9 protective covers and therefore

no evidence of a reputation in relation to these goods. Finally, all the evidence shows the stylised mark, and not the mark relied upon for section 5(3), which is the word-only mark. There is no reputation for this mark.

58. Consequently, **the section 5(3) ground fails.**

Section 5(4)(a) of the Act

59. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

60. The requirements to succeed in a passing off action are well established and are summarised in *Halsbury’s Laws of England* 4th Ed. as being that:

i) the claimant’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

ii) there is a misrepresentation by the defendant (whether or not intentional) which is likely to deceive the public into believing that the defendant’s goods or services are those of the claimant;

and iii) the claimant has suffered or is likely to suffer damage as a result of the erroneous belief created by the defendant’s misrepresentation.

61. There is one possible difference between the position under trade mark law and the position under passing off law. In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewinson L.J. cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. As both tests are intended to be normative measures intended to exclude those who are unusually careful or careless (per Jacob L.J. in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40), it is doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes.

62. The notice of opposition under section 5(4)(a) states that the opponent relies upon the sign MONSTER. This is the only sign relied upon. All the evidence is of use of the stylised sign. There is no evidence to show what sign appears ‘on’ the opponent’s clothing (Mr Sacks states ‘on’ rather than ‘in relation to’), or whether the sign used ‘on’ clothing is distinctive of the opponent or whether it would be seen as merely decorative use². There is a lot more to the stylised sign than the word MONSTER. I find that the opponent has not proven that it has the necessary goodwill in MONSTER to support its section 5(4)(a) pleading.

63. There is also a distance between the goods and services relied upon, “energy beverages, sponsorship of sports events and clothing”, and vehicle covers. In *Harrods Limited v Harroddian School Limited* [1996] RPC 697 (CA), Millet L.J. made the following findings about the lack of a requirement for the parties to operate in a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C.

² *Wild Child Trade Mark* [1998] RPC 455.

58, when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although "the plaintiff and the defendant were not competing traders in the same line of business". In the *Lego case Falconer J.* acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

'...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant':

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego case Falconer J.* likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to

be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

‘even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.’

In the same case Stephenson L.J. said at page 547:

‘...in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged “passer off” seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.’ ”

64. In *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5, in the Court of Appeal, Jacob LJ said:

“16 The next point of passing off law to consider is misrepresentation. Sometimes a distinction is drawn between "mere confusion" which is not enough, and "deception," which is. I described the difference as "elusive" in *Reed Executive Plc v Reed Business Information Ltd* [2004] R.P.C. 40. I said this, [111]:

"Once the position strays into misleading a substantial number of people (going from 'I wonder if there is a connection' to 'I assume there is a connection') there will be passing off, whether the use is as a business name or a trade mark on goods."

17 This of course is a question of degree—there will be some mere wonderers and some assumers—there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.

18 The current (2005) edition of Kerly contains a discussion of the distinction at paras 15–043 to 15–045. It is suggested that:

"The real distinction between mere confusion and deception lies in their causative effects. Mere confusion has no causative effect (other than to confuse lawyers and their clients) whereas, if in answer to the question: 'what moves the public to buy?', the insignia complained of is identified, then it is a case of deception."

19 Although correct as far as it goes, I do not endorse that as a complete statement of the position. Clearly if the public are induced to buy by mistaking the insignia of B for that which they know to be that of A, there is deception. But there are other cases too—for instance those in the *Buttercup* case. A more complete test would be whether what is said to be deception rather than

mere confusion is really likely to be damaging to the claimant's goodwill or divert trade from him. I emphasise the word "really.""

65. The ground fails for want of goodwill attached to the sign relied upon. I bear in mind that there may be an overlap, although I think it is tenuous, between sponsorship of motor sports and vehicle covers. However, even if I were to have found goodwill in relation to MONSTER, the combination of the distance between the parties' lines of business and the differences between the sign and the applicant's mark would lead me to conclude that there would be no misrepresentation and, hence, no damage. I doubt whether the opponent's customers would even get as far as wondering if there is a connection between the parties' marks, let alone that the use of the application would cause a substantial number of the opponent's customers to be misled into purchasing the applicant's goods, believing that they are provided by the opponent. **The section 5(4)(a) ground fails.**

Outcome

66. The opposition fails under all grounds. The application may proceed to registration.

Costs

67. The applicant has been successful and is entitled to a contribution towards its costs. Awards of costs in proceedings commenced after 1 July 2016 are governed by Annex A of Tribunal Practice Notice ("TPN") 2 of 2016. As the applicant is unrepresented, at the conclusion of the evidence rounds the tribunal invited it to indicate whether it intended to make a request for an award of costs and, if so, to complete a pro-forma indicating a breakdown of its actual costs, including providing accurate estimates of the number of hours spent on a range of given activities relating to the prosecution of the opposition; it was made clear to the applicant that if the pro-forma was not completed "no costs, other than official fees arising from the action and paid by the successful party...will be awarded". Since the applicant did not respond to that invitation within the timescale allowed (nor has any response been received from the applicant prior to the date of the issuing of this decision), and

as the applicant has not incurred any official fees in defending its application, I make no order as to costs.

Dated this 26th day of October 2017

**Judi Pike
For the Registrar,
the Comptroller-General**