

O/636/21

TRADE MARKS ACT 1994

**IN THE MATTER OF
TRADE MARK APPLICATION NO. 3497054
BY MONSTER ENERGY COMPANY
TO REGISTER AS A TRADE MARK:**

RED DAWG

IN CLASS 32

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 421618
BY RED BULL GMBH**

BACKGROUND AND PLEADINGS

1. On 4 June 2020, Monster Energy Company (“the applicant”), applied to register the trade mark **RED DAWG** in the UK, under number 3497054 (“the contested mark”). The application claims a priority date of 27 December 2019 from the US Patent and Trademark Office, under filing number 88/740846. The contested mark was published for opposition purposes in the Trade Marks Journal on 26 June 2020. Registration of the mark is sought in respect of ‘*non-alcoholic beverages*’ in class 32.

2. On 28 September 2020, Red Bull GmbH (“the opponent”) opposed the application under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”) on the basis of the following trade marks:



EUTM no. 17812116

Filing date: 13 February 2018

Registration date: 8 June 2018

(“the first earlier mark”)

Red Bull

EUTM no. 17363094

Filing date: 18 October 2017

Registration date: 31 January 2018

(“the second earlier mark”)

RED BULL

UKTM no. 3129030

Filing date: 22 September 2015

Registration date: 18 December 2015

(“the third earlier mark”)

3. The opponent's marks are earlier marks, in accordance with section 6 of the Act.¹ However, as they had not been registered for five years or more at the priority filing date claimed by the application, they are not subject to the proof of use requirements specified within section 6A of the Act. As a consequence, the opponent may rely upon any or all of the goods for which the earlier marks are registered without having to establish genuine use.

4. For the purposes of its claim under section 5(2)(b) of the Act, the opponent relies upon some of the goods for which the earlier marks are registered, namely, '*non-alcoholic beverages; energy drinks*' in class 32. In its notice of opposition, the opponent contends that the competing trade marks are highly similar and that the respective goods are identical, giving rise to a likelihood of confusion, including a likelihood of association. The opponent also argues that its earlier marks benefit from enhanced distinctive character.

5. In relation to section 5(3), the opponent claims that its earlier marks have a substantial reputation in respect of '*energy drinks*' in class 32. The opponent submits that the reputation of the earlier marks in the EU and UK is such that a mental link between the competing marks would be made by the relevant public. It further argues that use of the contested mark would take unfair advantage of the distinctiveness and reputation of the earlier marks as the applicant will benefit from the opponent's marketing efforts. The opponent also contends that use of the contested mark would, without due cause, be detrimental to the distinctive character of the earlier marks as such use would diminish their ability to distinguish the opponent's goods. According to the opponent, this is likely to change the economic behaviour of the opponent's customers to the detriment of its business.

6. The applicant filed a counterstatement denying the grounds of opposition. Whilst the applicant conceded that the respective goods are identical,² it denied that the competing marks are similar and disputed the existence of a likelihood of confusion.

¹ Although the UK has left the EU and the transition period has now expired, EUTMs, and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of the Trade Marks (Amendment etc.) (EU Exit) Regulations 2019. Tribunal Practice Notice 2/2020 refers.

² Applicant's counterstatement dated 2 December 2020, §3

Further, the applicant put the opponent to proof of its reputation and that its marks have an enhanced distinctive character.

7. Both parties filed evidence in chief. The opponent did not file evidence in reply. A hearing took place before me, by video conference, on 29 July 2021. The opponent was represented by Mr Jonathan Moss of Counsel, instructed by Taylor Wessing LLP; Mr Andrew Norris QC of Counsel, instructed by Bird & Bird LLP, appeared on behalf of the applicant.

8. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive and, therefore, this decision continues to refer to the trade mark case law of the EU courts.

EVIDENCE

The opponent's evidence

9. The opponent's evidence consists of the witness statement of Mr Jorge Jacobo Casals Ide dated 8 February 2021, together with Exhibits JC1 to JC12. Mr Casals Ide confirms that he is the Regional IP Counsel (Europe) of the opponent company, a position he has held since June 2008.

10. Mr Casals Ide explains that the 'Red Bull' energy drink was first launched in Austria in 1987 and is currently sold in 173 countries. He provides a list of the first shipment dates for various European countries.³ This shows that the energy drink was first shipped to the UK in 1993. Besides Austria and the UK, dates are given for 26 other EU countries, beginning with Hungary in 1992 and ending with Denmark in 2009. The following image of a 'Red Bull' energy drink is provided:

³ Exhibit JC1



11. According to Mr Casals Ide, the 'RED Edition' energy drink was launched in Austria in 2010. He says it was then rolled out in other EU countries, including Spain, Germany, France and Portugal, between 2011 and 2012. He confirms it was first sold in the UK in 2012. The following image of the 'RED Edition' energy drink is provided:



12. Mr Casals Ide outlines that worldwide 'Red Bull' sales have grown from 113 million serving units in 1994 to over 7.5 billion, becoming the "unchallenged market leader" for energy drinks. Worldwide annual gross sales have risen from €1.3 billion in 2003 to €7.2 billion in 2019. He states that this growth has also been visible in the EU, in which sales rose to €2.5 billion in 2019. Mr Casals Ide says that, in 2019, 'Red Bull' had market shares of 41.4%, 69% and 32.5% in Germany, the Netherlands and the UK, respectively.

13. Serving unit sales figures, as provided by Mr Casals Ide, are as follows:

Unit Sales	Worldwide	EU	UK
2015	5,982,762,165	1,957,898,172	360,264,115
2016	6,090,549,408	2,054,713,049	380,002,094
2017	6,335,472,880	2,175,600,447	427,615,391
2018	6,831,862,889	2,372,165,447	461,712,042
2019	7,530,118,518	2,586,914,953	502,576,268

14. Mr Casals Ide states that marketplace penetration for the brand is focused on television, cinema and radio. Sample commercials which aired in the UK are provided.⁴ The opponent's media expenses are given as follows:

Media Expenses	Worldwide (€)	EU (€)	UK (€)
2015	626,782,000	88,601,000	15,979,000
2016	707,917,000	89,612,000	15,166,000
2017	705,102,000	89,355,000	14,264,000
2018	633,755,000	96,935,000	14,501,000
2019	651,785,000	99,426,000	15,122,000

15. Overall marketing expenses are also provided. Mr Casals Ide explains that, between 1987 and 2019, more than €6.2 billion was spent on marketing activities in the EU. He gives annual marketing expenses from 2015 to 2019, which are as follows:

Marketing expenses	Worldwide (€)	EU (€)	UK (€)
2015	2,060,131,000	451,410,000	67,862,000
2016	2,213,009,000	451,873,000	62,060,000
2017	2,245,326,000	459,519,000	58,659,000
2018	1,743,273,000	336,187,000	34,425,000
2019	1,811,300,000	367,948,000	35,771,000

⁴ Exhibit JC2

16. Mr Casals Ide outlines that the earlier marks are used on a variety of marketing materials including, inter alia, leaflets, flyers, retail displays, sampling cars and packaging material. Examples of marketing materials used between 2017 and 2019 are exhibited.⁵

17. According to Mr Casals Ide, 'Red Bull' is one of the world's most valuable brands. He says that it regularly ranks as one of the 100 most valuable brand corporations worldwide in the European Brand Institute's "Eurobrand" rankings. It was also consistently the most valuable Austrian brand between 2013 and 2020. Moreover, in Millward Brown's "BrandZ Top 100" rankings, 'Red Bull' was second in the soft drinks market in 2019. Copies of both rankings for 2019 have been evidenced.⁶ 'Red Bull' is second in the "BrandZ Beverages Top 15" with a brand value of \$13,225 million, whereas it is ninety-fifth in the European Brand Institute's "Global Top 100" rankings with a brand value of €13.19 billion.

18. In terms of social media, Mr Casals Ide states that 'Red Bull' has more than 48.2 million fans on Facebook and 13.3 million followers on Instagram. However, he does not give dates or any information as to the geographical spread of these fans/followers. He confirms that the 'Red Bull' UK Twitter and Instagram pages (@RedBullUK) have over 150,000 and 379,000 followers, respectively. On YouTube, the 'Red Bull' channel is purported to have over 9 million subscribers; in 2019, the channel achieved more than 311 million views and 1.3 billion minutes of content were watched and, at 4 February 2020, the channel had a total of 3.2 billion views and 9.5 billion minutes of content had been watched. In the UK, the channel achieved 12.5 million views and 64.4 million minutes of content were watched in 2019.

19. The 'Red Bull' websites at www.redbull.com received around 117 million visits in 2019 with an average of 10.7 million monthly visitors. Mr Casals Ide outlines that these figures are for the websites across all countries and event/brand websites or applications that are part of the "Red Bull Media Network". Nonetheless, he confirms that the UK 'Red Bull' website at www.redbull.com/gb-en received 9.1 million visits in

⁵ Exhibit JC3

⁶ Exhibit JC4

2019 and 9.2 million visits in 2020. The UK website also had around 629,000 and 648,000 monthly visitors in these years, respectively. Prints of the UK website at the date of his statement are evidenced.⁷ ‘Red Bull’ branded cans of energy drink and headgear can be seen in the prints.

20. Mr Casals Ide states that ‘Red Bull’ sponsors a wide variety of high-profile events in the UK, including, inter alia, the “Red Bull Soapbox Race”. No further information about these events is provided.

21. He claims that the ‘Red Bull’ brand and trade marks are “famous”, and that this has been confirmed by a number of Courts and Trade Mark Offices in Europe and the world. A list of excerpts from the corresponding decisions have been provided.⁸ Many of the decisions are from National Offices or the EUIPO; others are decisions of National Courts in EU member states. I note that a small number are decisions of the UK High Court and this Tribunal.

22. Mr Casals Ide provides dictionary definitions for the words ‘BULL’ and ‘DAWG’.⁹ Merriam-Webster primarily defines the former as being a male bovine, or an adult male of various large animals. It defines the latter as a facetious spelling of the word ‘dog’, or an informal term used as a familiar form of address. Oxford Languages (accessed via Google) also suggests that, in the US, the word ‘DAWG’ is an informal, non-standardised spelling of the word ‘dog’.

23. He also exhibits Google Image search results for the word “DAWG” as well as examples of clip art and line drawings of “leaping muscular dogs”.¹⁰ The Google Image search results include some photographs and drawings of dogs (amongst other things). The clip art and line drawings are also taken from Google Images. The relevance of this evidence is not clear.

⁷ Exhibit JC5

⁸ Exhibit JC6

⁹ Exhibits JC7 & JC8

¹⁰ Exhibit JC9 & JC11

24. An online article from 'Very Well Mind' entitled 'The Color Psychology of Red' has been evidenced.¹¹ It claims that red provokes the strongest emotions of any colour and explains some of the most common feelings and qualities that the colour can stimulate. Headed sections include 'Danger and Warning', 'Excitement and Energy', 'Aggression', 'Dominance', 'Passion and Desire' and 'Power'. The relevance of this evidence is not clear. At the hearing, Mr Moss suggested that this evidence goes to the concept of the word 'RED'.

25. Finally, Mr Casals Ide provides copy correspondences between the parties' legal representatives relating to the opponent's reputation claims.¹² More shall be said about this later in my decision.

Applicant's evidence

26. The applicant's evidence comprises the witness statement of Mr Robert Milligan dated 7 April 2021, together with Exhibits RM1 to RM7, and the witness statement of Mr Paul Dechary dated 4 May 2021, together with Exhibit PJD1.

27. Mr Milligan is an Associate Solicitor at Bird & Bird LLP. He provides definitions from the Urban Dictionary, Your Dictionary, the Free Dictionary by Farlex, Cyber Definitions and Internet Slang.¹³ These sources suggest that the word 'DAWG' is used to refer to a friend or acquaintance; some suggest the word is an informal one. He also exhibits a print from Lexico for the definition of the word 'BULL'.¹⁴ The word is defined as an uncastrated male bovine animal and a large male animal, especially a whale or elephant. Indeed, the animal names glossary from 'Animal Corner' that has been evidenced also suggests that the male of a number of animals are described as a 'bull'.¹⁵

¹¹ Exhibit JC10

¹² Exhibit JC12

¹³ Exhibit RM1

¹⁴ Exhibit RM2

¹⁵ Exhibit RM3

28. Mr Milligan exhibits an online article from Good Housekeeping entitled ‘10 reasons why dogs are the best pets’, dated 15 April 2016.¹⁶ Also provided is an online article from Purely Pets Insurance entitled ‘10 reasons why dogs are a man’s best friend’, dated 9 July 2019.¹⁷ Mr Milligan evidences a print from the MSD Veterinary Manual regarding behavioural problems of cattle,¹⁸ prints from the RSPCA on the topic of dog behaviour,¹⁹ and prints from a number of sources – including Pinterest – relating to dog body language.²⁰ The relevance of this evidence is unclear. At the hearing, Mr Norris suggested that this evidence goes to the meaning of the word ‘DAWG’.

29. Finally, Mr Milligan provides a selection of trade marks from TMView.²¹ He explains that he conducted a search on 30 March 2021 for filed and registered trade marks in class 32 (both UK and International Registrations Designating the UK) beginning with the word “RED”. The evidence includes 203 trade marks and Mr Milligan highlights that many of these (that are not owned by the opponent) are for the word “RED” followed by the name of an animal.

30. Mr Dechary is the Senior Vice President, Deputy General Counsel and Secretary of Monster Beverage Corporation and its subsidiaries (including the applicant company), a position he has held since 2008. He explains that the applicant is “in the business of designing, creating, developing, producing, marketing, and selling energy drinks” under its ‘MONSTER’ brands. These brands, he says, are well-known throughout the UK, EU and internationally.

31. Mr Dechary outlines that ‘RED DAWG’ is used in the US as a sub-brand and is displayed at the top of the drink’s packaging. To illustrate this, he provides the following image of such packaging:²²

¹⁶ Exhibit RM4

¹⁷ Exhibit RM4

¹⁸ Exhibit RM5

¹⁹ Exhibit RM6

²⁰ Exhibit RM6

²¹ Exhibit RM7

²² Exhibit PJD1



32. Mr Dechary states that, although the mark is not currently used in the UK, the applicant intends to use it in the manner shown above.

PRELIMINARY REMARKS

33. Mr Milligan provides evidence of other trade mark applications and registrations in class 32 beginning with the word 'RED'. I must clarify that the existence of these other marks will not have any bearing on the outcome of this opposition. This is because there is no evidence that the marks are in use and that consumers have become accustomed to differentiating between them. In *Zero Industry Srl v OHIM*, Case T-400/06, the General Court stated that:

"73. As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word 'zero', it should be pointed out that the Opposition Division found, in that regard, that '... there are no indications as to how many of such trade marks are effectively used in the market'. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word 'zero' is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 GfK v OHIM – BUS(Online Bus) [2005] ECR II-4865,

paragraph 68, and Case T-29/04 Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH) [2005] ECR II-5309, paragraph 71).”

34. Furthermore, Mr Dechary provides evidence as to how the applicant uses, or intends to use, the contested mark. In *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited* (Case C-533/06), the Court of Justice of the European Union (“CJEU”) stated at paragraph 66 of its judgment that when assessing the likelihood of confusion in the context of registering a new trade mark it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. As a result, even though the applicant has suggested the ways in which the mark will be used, my assessment later in this decision must take into account only the applied-for mark – and its specification – and any *potential* conflict with the opponent’s earlier marks. Any differences between the *actual* goods and services provided by the parties, or differences in their trading styles, are not relevant unless those differences are apparent from the applied-for and registered marks. In *Devinlec Développement Innovation Leclerc SA v OHIM*, Case C-171/06P, the CJEU stated that:

“59. As regards the fact that the particular circumstances in which the goods in question were marketed were not taken into account, the Court of First Instance was fully entitled to hold that, since these may vary in time and depending on the wishes of the proprietors of the opposing marks, it is inappropriate to take those circumstances into account in the prospective analysis of the likelihood of confusion between those marks.”

35. Finally, Mr Casals Ide refers to a number of previous decisions in which the fame/repute of ‘Red Bull’ marks have been considered. While I note the excerpts provided, it suffices to say that these decisions are not relevant to the present proceedings. It is well established that previous decisions, whether that be of this Tribunal, the EUIPO, other National Offices or courts in other jurisdictions, are not binding on the Registry. I appreciate that a small number of the referenced decisions are from the UK High Court. Whilst I acknowledge that legal principles established by the High Court are binding on this Tribunal, that does not extend to particular fact-finding exercises (such as, for example, whether evidence demonstrates a reputation or enhanced distinctive character). Moreover, I have not had sight of any evidence

upon which the High Court's findings were made. Each case must be assessed on its own merits and, as such, I do not consider it appropriate to derive my findings or conclusions from the decisions to which the opponent refers. For the avoidance of doubt, the determination of each of the opponent's claims must take into account the relevant factors, following an assessment of the papers before me.

DECISION

Section 5(2)(b)

Legislation and case law

36. Section 5(2)(b) of the Act reads as follows:

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

[...]

(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.”

37. 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:

(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

38. The applicant has conceded that its goods are identical to the opponent's '*non-alcoholic beverages*'. I agree: the term '*non-alcoholic beverages*' in the application has a direct counterpart in class 32 of the earlier marks. These goods are self-evidently identical. In addition, the law requires that goods be considered identical where one party's description of its goods encompasses the specific goods covered by the other party's description (and vice versa).²³ '*Non-alcoholic beverages*' is a broad category which would encompass '*energy drinks*' in class 32 of the earlier marks. These goods are also identical.

The average consumer and the nature of the purchasing act

39. The average consumer is deemed to be reasonably well informed, 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.²⁴

²³ *Gérard Meric v OHIM*, Case T-133/05

²⁴ *Lloyd Schuhfabrik Meyer*, Case C-342/97

40. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

41. The applicant has contended that energy drinks are purchased by consumers with a specific interest in them and are consumed regularly by dedicated followers, resulting in a greater awareness in energy drink brands. I do not accept these submissions. In the absence of any evidence to support such a contention, energy drinks do not strike me as goods which would typically attract dedicated followers; they are not specialist, nor are they targeted at a particular section of the public. Moreover, I can see no reason why consumers would have a greater awareness of the producers of such goods than those of other consumables. To my mind, to make such a finding would be an artificial characterisation of the average consumer.

42. The average consumer of the goods at issue in these proceedings will be the general public. The goods, being non-alcoholic beverages and energy drinks, are likely to be purchased relatively frequently for the purposes of refreshment. Given that they are inexpensive everyday purchases, the purchasing process is likely to be more casual than careful and will not require an overly considered thought process. The average consumer will, however, consider factors such as taste and nutritional content when selecting these products as they will wish to ensure that what they are purchasing to consume meets their individual requirements. Taking the above factors into account, I find that the level of attention of the general public in respect of these goods would be medium. The goods are typically sold in supermarkets and other retail establishments, where they will be self-selected by consumers from shelves or chilled cabinets. In these circumstances, visual consideration would dominate. Products such

as these are also sold in restaurants and bars where there may be an oral component to the selection process, such as requests to bar and waiting staff. Even where the goods are ordered orally, the selection process would still be in the context of a visual inspection of a drinks list, for example, prior to the order being placed. Overall, it is my view that the purchasing process would be predominantly visual in nature, though aural considerations will play their part.²⁵

Distinctive character of the earlier marks

43. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“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).”

²⁵ *Simonds Farsons Cisk plc v OHIM*, Case T-3/04

44. Registered trade marks possess varying degrees of inherent distinctive character. These range from the very low, such as those which are suggestive or allusive of the goods or services, to those with high inherent distinctive character, such as invented words. Dictionary words which do not allude to the goods or services will be somewhere in the middle. The degree of distinctiveness is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier mark, the greater the likelihood of confusion. The distinctive character of a mark may be enhanced as a result of it having been used in the market.

45. The opponent has contended that its earlier marks are “inherently original and unique”. Further, it has submitted that there is “no link or allusion” between the marks and the goods for which they are registered. The opponent has also argued that its marks have an enhanced level of distinctive character. At the hearing, Mr Moss confirmed that this claim is only in respect of the third earlier mark. For its part, the applicant has denied that the earlier marks have acquired enhanced distinctive character, though has not commented on the inherent characteristics of the marks.

46. The first earlier mark is figurative and consists of the word ‘RED’, preceded by a bull device. The word ‘RED’ is presented in a black and bold typeface. It would be understood as referring to the primary colour. Given that it is an adjective which is commonly used to describe something’s colour, it has no more than a moderate level of distinctiveness alone. The device is akin to a line drawing in design and the bull appears in a leaping or charging formation. Although the device is at the beginning of the mark, due to the relative size of the word ‘RED’, as well as the eye being naturally drawn to elements of marks that can be read,²⁶ I am of the view that the distinctive character of the mark predominantly lies in the word ‘RED’. However, the bull device still contributes to the distinctiveness of the mark. Overall, it is considered that the first earlier mark possesses a medium level of inherent distinctive character.

47. The second earlier mark is also figurative and comprises the words ‘Red Bull’ in a slightly stylised red font. The words form a unit and would be understood as referring to a male bovine animal that is red in colour. The distinctiveness of the second earlier

²⁶ *Wassen International Ltd v OHIM*, Case T-312/03

mark rests overwhelmingly in the words 'Red Bull' in combination, though the way in which they are presented will also contribute. Again, the word 'Red' has no more than a moderate level of distinctiveness alone. Overall, it is considered that the second earlier mark possesses a medium level of inherent distinctive character.

48. The third earlier mark is in word-only format and consists of the words 'RED BULL'. The words in the third earlier mark also form a unit and would be understood as referring to a male bovine animal that is red in colour. The distinctive character of the mark lies in the combination of the words, i.e. the mark as a whole. As above, the word 'Red' has no more than a moderate level of distinctiveness alone. Overall, I find that the third earlier mark possesses a medium level of inherent distinctive character.

49. The evidence filed by the opponent has been summarised above and I am now required to assess whether the opponent has demonstrated that the third earlier mark had an enhanced degree of distinctive character, at the relevant date of 27 December 2019.

50. Mr Casals Ide provides evidence that 'Red Bull' energy drinks have been shipped to the UK since 1993. The opponent sold over 360 million units of 'Red Bull' energy drink in the UK in 2015, rising to in excess of 500 million units in 2019. The evidence also establishes that the opponent held a 32.5% share in the energy drinks market in the UK in 2019. These figures are clearly significant. Between 2015 and 2019, the opponent spent over €75 million in promoting its goods in the UK via television, cinema and radio. Overall marketing expenses for this period (inclusive of the foregoing) exceeded €250 million in the UK. This represents a significant investment in the promotion of 'Red Bull' energy drinks. As for social media, whilst the evidence relating to numbers of Facebook, Instagram and Twitter followers/fans is not without its limitations, I have no doubt that the 'Red Bull' brand had a presence on these platforms at the relevant date. Moreover, the 'Red Bull' YouTube channel received 12.5 million views in the UK in 2019; 64.4 million minutes of content was also watched by its users that year. The UK 'Red Bull' website received 9.1 million total visits and around 629,000 monthly visitors in 2019. From the evidence, it is clear that there had been significant use of the third earlier mark prior to the relevant date. Moreover, while I note that much of the evidenced use is in combination with other elements – typically

two charging bulls and a blue and silver quartered background – I bear in mind that a mark may acquire distinctiveness on account of its use as part of another mark. It is my view that this use enhances the distinctiveness of the third earlier mark, notwithstanding the presence of the additional elements. In light of the above, I do not hesitate to conclude that the distinctive character of the third earlier mark has been enhanced to the extent that it must be considered to have a very high degree of distinctive character. I should add that this does not rest solely in the word ‘Red’ but, rather, the combination of the words.

Comparison of trade marks

51. 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 CJEU 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.”

52. Therefore, it would be wrong to dissect the trade marks artificially, though it is necessary to take into account the distinctive and dominant components of the marks. Due weight must be given to any other features which are not negligible and hence contribute to the overall impressions created by the marks.

53. The competing trade marks are as follows:

The earlier marks	The contested mark
	RED DAWG

Overall impressions

54. The first earlier mark is figurative and comprises the word 'RED' and a bull device. Due to its relative size and the eye being drawn to elements of marks that can be read, the word 'RED' will dominate the overall impression of the mark. The font used is, ultimately, unremarkable, and it is my view that the way in which the word is presented will be overlooked. The bull device will still provide a contribution, though will play a lesser role.

55. The second earlier mark consists of the words 'Red Bull', presented in a slightly stylised, red font. The overall impression of the mark is dominated by the words 'Red Bull' in combination. The use of colour, while still contributing, will play a much lesser role. I do not agree with the applicant that the stylisation of the words is striking. Rather, in my view, it is, ultimately, unremarkable.

56. The third earlier mark is in word-only format and comprises the words 'RED BULL'. The words form a unit and, together, dominate the overall impression of the mark.

57. The contested mark is in word-only format and consists of the words 'RED DAWG'. The overall impression of the mark is dominated by the two words in combination.

Visual comparison

The first earlier mark and the contested mark

58. Visually, the competing marks are similar insofar as they share the word 'RED'. I do not consider the font used in the first earlier mark to be a point of significant difference between the marks since notional and fair use would allow the contested mark to be presented in any standard typeface. The competing marks differ through the presence of an additional word, i.e. 'DAWG', in the contested mark. Furthermore, the first earlier mark contains a bull device which is lacking from the contested mark. Bearing in mind my assessment of the overall impressions, I consider there to be a low degree of visual similarity between the marks.

The second earlier mark and the contested mark

59. The competing marks are visually similar to the extent that the word 'RED' is common to both. Again, given that notional and fair use would allow the contested mark to be presented in any standard typeface, I do not consider the difference created by the font used in the second earlier mark to be significant. Neither, in my view, is the difference created by the use of colour in the second earlier mark. This is because it should nominally be considered that the contested mark could be used in any colour (including red). The competing marks clearly differ in their additional words, i.e. 'Bull' and 'DAWG'. Taking into account the overall impressions, I find that the competing marks are visually similar to between a low and medium degree.

The third earlier mark and the contested mark

60. Visually, the competing marks coincide in the use of the word 'RED', while they differ in their respective additional words, namely, 'BULL' and 'DAWG'. Overall, I find that the competing marks are visually similar to between a low and medium degree.

Aural comparison

The first earlier mark and the contested mark

61. The word 'RED' in the first earlier mark will be given its ordinary English pronunciation. The bull device will not be articulated by consumers. The word 'RED' in the contested mark will also be given its ordinary English pronunciation. To my mind, the word 'DAWG' will be pronounced phonetically. The competing marks are aurally similar insofar as the word 'RED' will be articulated identically. However, the contested mark contains an additional word that is lacking from the first earlier mark. Overall, I find that the competing marks are aurally similar to a medium degree.

The second and third earlier marks and the contested mark

62. The words 'RED' and 'BULL' in the earlier marks will be given their ordinary English pronunciation, as will the word 'RED' in the contested mark. As outlined previously, it is my view that the word 'DAWG' in the contested mark will be pronounced phonetically. The competing marks are aurally similar to the extent that the word 'RED' will be pronounced identically. Although the competing marks share the same number of syllables, their respective second syllables, i.e. ("BULL") and ("DAWG"), are very different. Overall, it is considered that there is a medium degree of aural similarity between the marks.

Conceptual comparison

63. Conceptually, the word 'RED' in all the marks will be understood by consumers as referring to the colour. I do not agree with the opponent that the average consumer would immediately appreciate any psychological associations with the word; this would equate to a level of analysis that consumers do not routinely undertake when encountering trade marks. The word 'BULL' in the second and third earlier marks will likely be understood by consumers as meaning a male bovine animal. The word 'RED' characterises the word 'BULL'. The effect of this is that the second and third earlier marks convey the concept of a bull that is red in colour. The device in the first earlier mark will be immediately recognised as a representation of a bull and will also evoke

this meaning. The bull device is not characterised by the word 'RED' and, as such, the mark does not convey precisely the same concept as the other earlier marks. Nevertheless, it remains the case that the first earlier mark conjures the meanings associated with both elements, albeit separately (i.e. it will convey the concepts of the colour red and a male bovine animal, rather than a male bovine animal that is red). In respect of the contested mark, the way in which consumers will understand the word 'DAWG' is less clear. Both parties filed evidence on the point. The dictionary definitions provided by Mr Casals Ide suggest that the word is an informal one, used either as a misspelling of the dictionary word 'dog' or as a form of address. The definitions provided by Mr Milligan also suggest that it is an informal word used to refer to a friend or acquaintance. I am prepared to accept these definitions. Although the sources suggest that it is an informal or slang word (which may have its origins in the US), I am satisfied that a sufficient number of average consumers in the UK would appreciate one or more of its meanings. I find that at least a significant proportion of average consumers would understand the word 'DAWG' to be a misspelling of the word 'dog'. For this section of consumers, the contested mark will convey the concept of a dog that is red. I do not accept the opponent's contention that the competing marks are conceptually identical. While the competing marks all convey the concept of a red animal (or, in the case of the first earlier mark, the colour red and an animal), bovines and dogs are, of course, different animals. Furthermore, I do not agree with the applicant that the competing marks are conceptually dissimilar. The competing marks conceptually overlap insofar as they evoke red animals (or the colour red and an animal), albeit different ones. Overall, for this section of consumers, I find that the competing marks are conceptually similar to a medium degree. To my mind, this meaning represents the opponent's best case and, as such, I do not consider it necessary to go on to consider the position in respect of the other potential meanings that will be attributed to the word 'DAWG'.

Likelihood of confusion

64. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. One such factor is the interdependency principle 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. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier trade marks, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

65. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods down to the responsible undertakings being the same or related.

66. Earlier in this decision, having agreed with the parties that the respective goods are identical, I further concluded that:

- Average consumers of the goods are likely to be members of the general public, who would demonstrate a medium level of attention during the purchasing act;
- The purchasing process for the goods will be predominantly visual in nature, though aural considerations will play their part;
- The first and second earlier marks possess a medium level of inherent distinctive character;
- The third earlier mark has a medium level of inherent distinctive character, which has been enhanced to a very high level through use;
- The overall impression of the first earlier mark is dominated by the word 'RED', while the bull device plays a lesser role;
- The overall impression of the second earlier mark is dominated by the words 'Red' and 'Bull' in combination, while the use of colour plays a much lesser role;

- The overall impression of the third earlier mark is dominated by the words 'Red' and 'Bull' in combination;
- The overall impression of the contested mark is dominated by the words 'RED' and 'DAWG' in combination;
- The first earlier mark and the contested mark are visually similar to a low degree;
- The second and third earlier marks and the contested mark are visually similar to between a low and medium degree;
- The competing marks are aurally and conceptually similar to a medium degree.

67. I acknowledge that the competing marks share the identical word 'RED'; this element is dominant in the first earlier mark and appears at the beginning of the other marks, a position which is generally considered to have more impact.²⁷ Nevertheless, there are differences between the marks which are not negligible. To my mind, the differences previously identified would not be overlooked by consumers during the purchasing process, even when paying no more than a medium level of attention. Despite my findings that the first and second earlier mark possess a medium level of inherent distinctive character and that the third earlier mark is factually distinctive to a very high level, in my judgement, taking all the above factors into account, the differences between the competing trade marks are likely to be sufficient to avoid the general public mistaking the contested mark for the earlier marks (or vice versa), even on goods that are identical. Accordingly, notwithstanding the principles of imperfect recollection and interdependency, it follows that there will be no direct confusion.

²⁷ *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

68. That leaves indirect confusion to be considered. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained 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.

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.).

(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).”

69. I bear in mind that a finding of indirect confusion should not be made merely because the two (or more) marks share a common element. In this connection, it is not sufficient that a mark merely calls to mind another mark: this is mere association not indirect confusion.²⁸ Applying the above principles, I do not believe that the consumers will assume that the opponent and the applicant are economically linked undertakings on the basis of the competing trade marks; I am unconvinced that consumers would assume a commercial association or licensing arrangement between the parties, or sponsorship on the part of the opponent, merely because of the shared word ‘RED’. The common element between the competing marks is not so strikingly distinctive that consumers would assume that only the opponent would be using it in a trade mark. To the contrary, in the second and third earlier marks and the contested mark, ‘RED’ describes the colour of the nouns that follow, i.e. ‘BULL’ and ‘DAWG’. In respect of the first earlier mark, while the word ‘RED’ does not perform this descriptive function, it is still only moderately distinctive. Furthermore, the differences between the competing marks are not simply adding or removing non-distinctive elements. Nor are the differences characteristic of any logical brand extensions with which consumers would be familiar. I can see no reason why an undertaking would remove the word ‘BULL’ or a device thereof and replace it with the word ‘DAWG’, even if it is recognised as a misspelling for another animal. I bear in mind that the examples provided by Mr Purvis are not exhaustive. Rather, they were intended to be illustrative of the general approach. However, to my mind, there is no other basis for concluding that consumers would assume an economic connection between the parties. Taking all of the above factors into account, I do not consider there to be a likelihood of indirect confusion between the competing marks, even in relation to goods that are identical.

70. In light of the above, the opposition under section 5(2)(b) is dismissed.

²⁸ *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17

Section 5(3)

Legislation and case law

71. At the commencement of these proceedings, section 5(3) of the Act stated:

“(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 European Union trade mark or international trade mark (EC), in the European Union) 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.”

72. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oréal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. 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-Salomon*, 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* and *Environmental Manufacturing, paragraph 34*.

(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 of the earlier mark; *L'Oréal 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'Oréal v Bellure*).

73. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the earlier marks are similar to the contested mark. Secondly, the opponent must show that its earlier marks have achieved a level of knowledge, or reputation, amongst a significant part of the public. Thirdly, the opponent must establish that the public will make a link between the marks, in the sense of the earlier marks being brought to mind by the contested mark. Fourthly, assuming the foregoing conditions have been met, section 5(3) requires that one or more of three types of damage claimed by the opponent will occur. It is not necessary for the purposes of section 5(3) that the goods are 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.

74. The relevant date for the assessment under section 5(3) is the priority filing date claimed by the contested application, namely, 27 December 2019.

Reputation

75. In *General Motors*, Case C-375/97, the CJEU held that:

“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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation ‘in the Member State’. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

76. The opponent has argued that its earlier marks have a “huge reputation” both in the UK and the EU. In its skeleton argument, the opponent stated that it would no longer be relying upon the first earlier mark for its claim under section 5(3). This was confirmed by Mr Moss at the hearing. In its skeleton argument, the applicant conceded that the third earlier mark has a reputation in the UK for energy drinks. However, the applicant has not commented on the strength of this reputation. Therefore, it falls to me to determine the same.

77. ‘Red Bull’ energy drinks have been shipped to the UK since 1993 and the opponent sold over 2 billion units in this territory between 2015 and 2019. In 2019, the opponent’s share in the UK energy drink market was 32.5%. There has been longstanding and significant use of ‘Red Bull’ in relation to energy drinks. Between 2015 and 2019, the opponent spent over €250 million in promoting ‘Red Bull’ energy drinks in the UK, some €75 million of that figure representing media expenses. The ‘Red Bull’ brand also has a respectable following in the UK across a number of social media platforms. Taking the evidential picture as a whole into account, I do not hesitate to conclude that the third earlier mark clearly had a very strong reputation in the UK at the relevant date in relation to ‘*energy drinks*’. For the avoidance of doubt, as the third earlier mark represents what I consider to be the opponent’s best case, I do not consider it necessary to make a finding as to whether the second earlier mark has a reputation.

Link

78. As noted above, my assessment of whether the public will make the required mental 'link' between the marks must take into account all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

I have found that the third earlier mark and the contested mark are visually similar to between a low and medium degree, aurally similar to a medium degree and conceptually similar to a medium degree.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

The average consumer of the goods at issue has been discussed above at paragraph 42.

I have found that the respective goods are identical.

The strength of the earlier mark's reputation

I have found that the third earlier mark has a very strong reputation in the UK.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

I have found that the third earlier mark possesses a medium level of inherent distinctive character, which has been enhanced to a very high level.

Whether there is a likelihood of confusion

I have found there to be no likelihood of direct or indirect confusion for the reasons stated at paragraphs 67 and 69.

79. The opponent has contended that the average consumer will clearly perceive a link between the competing marks, highlighting, in particular, that the respective goods are identical. The applicant has disputed that a link will be made in the minds of consumers as the marks are not sufficiently similar.

80. The competing marks both consist of two words which begin with the identical word 'RED' and will be understood as referring to red animals. Taking this in combination with the identity of the goods, the very high distinctive character of the third earlier mark as well as the very strong reputation it enjoys, I consider that a significant part of the relevant public will make a link between them. Although I have found that there would be no direct or indirect confusion between the competing marks, it is, in my view, highly likely that the third earlier mark will be brought to mind upon encountering the contested mark.

Damage

81. I must now assess whether any of the pleaded types of damage will arise.

Unfair competition

82. Taking advantage of the distinctive character or reputation of an earlier mark means that consumers are more likely to buy the goods or services of the later mark than they would have otherwise been if they had not been reminded of the earlier mark. As a result, the marketing of the later mark will not require as much effort or investment due to the familiarity that the relevant public would already feel with it or the message they are sent about what to expect. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's

intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

83. The opponent has claimed that use of the contested mark would, without due cause, give the applicant an unfair economic advantage due to an association with the opponent's energy drinks. According to the opponent, this is because the applicant will benefit from the opponent's marketing efforts, resulting in the need for less of its own. The opponent has highlighted that the applicant has not adduced any evidence as to why they chose the contested mark and has submitted that “an adverse inference must therefore be drawn”.

84. The applicant has denied that use of the contested mark would take unfair advantage of the distinctive character or repute of the earlier marks. Moreover, it has submitted that the opponent has not adduced any evidence to demonstrate that unfair advantage will arise. In its skeleton arguments, the applicant also highlighted that the applicant's intentions over the choice of the contested mark had not been called into question until shortly before the hearing and, therefore, it did not have the opportunity to address it.

85. I note that the applicant's intentions regarding its choice of the contested mark did not form part of the opponent's pleaded case. Although I accept that it was still open to the applicant to deal with the issue of its own volition during the evidence rounds, I am not prepared to infer that the applicant sought to deceive the public, or cause confusion, as to the trade origin of the goods sold under the contested mark.

86. In respect of the opponent's perceived lack of evidence of unfair advantage, it has been established that the proprietor of an earlier mark does not need to demonstrate actual or present damage under section 5(3).²⁹ Furthermore, it is not necessary for evidence to be adduced of actual damage; it is permissible to deduce from the evidence that there is a serious risk of such damage.³⁰

87. I have already found that consumers would not be prone to the effects of direct or indirect confusion. Therefore, I do not believe that consumers would purchase the applicant's goods in the mistaken belief that they are provided by, or connected with, the opponent. Nevertheless, upon encountering the contested mark, it is my view that consumers of the contested mark will certainly be reminded of the third earlier mark; it will, therefore, appear instantly familiar, thereby making it easier for the applicant to establish its mark and to sell its energy drinks without incurring the marketing costs that would usually be required. The contested mark would be able to attract more consumers to purchase goods offered under it than would be the case if the earlier mark was not brought to mind. This would essentially allow the contested mark to free-ride on the reputation of the earlier mark and gain an unfair commercial advantage.

88. As damage is made out on the basis of unfair advantage, I do not consider it necessary to go on to consider detriment to distinctive character.

89. The applicant has not shown that it has due cause for using the contested mark. Therefore, the opposition based upon section 5(3) succeeds in its entirety.

CONCLUSION

90. Although the opposition under section 5(2)(b) of the Act has failed, the opposition under section 5(3) of the Act has succeeded in its entirety. Subject to any appeal against my decision, the application will be refused.

²⁹ *Intel*, Case C/252/07, paragraph 38

³⁰ *Environmental Manufacturing*, Case C383/12P,

COSTS

91. The opposition has been successful and, as such, the opponent is entitled to a contribution towards its costs. In its skeleton arguments, the opponent requested off-scale costs. At the hearing, Mr Moss explained that such costs are claimed in relation to the preparation of the opponent's evidence.

92. The opponent maintains that off-scale costs are appropriate due to the manner in which the applicant approached the issues in these proceedings. It has argued that the applicant's decision to deny everything – in particular, the opponent's reputation – should not be condoned, particularly in light of prior decisions in which a reputation has been found. According to the opponent, the applicant is a direct competitor and has first-hand knowledge of its reputation. Accordingly, it should not have forced the opponent to incur the costs associated with proving it. The opponent has submitted that it contacted the applicant in order to narrow the issues, to no avail. At the hearing, Mr Moss submitted that the opponent's reputation was a non-arguable issue and "the fact that it was conceded at the eleventh hour shows that it was merely a tactic to raise costs". Furthermore, the opponent has argued that off-scale costs should be awarded because the applicant knowingly filed irrelevant evidence. According to the opponent, it has been forced to incur the costs of reviewing the same and such conduct ought to be sanctioned.

93. At the hearing, Mr Norris argued that the applicant was perfectly entitled to challenge the opponent's reputation at the point of filing its defence. He argued that it is up to the opponent to prove its case by way of evidence. He also highlighted that a reputation was claimed in all three earlier marks; this was subsequently dropped in relation to the first earlier mark, leading Mr Norris to submit that the applicant was entirely justified in challenging it. Mr Norris submitted that some of the opponent's own evidence was irrelevant, arguing that the applicant cannot be criticised alone. Moreover, he argued that much of the evidence filed by parties in proceedings before the Tribunal is not particularly relevant and that it is a fairly standard position for parties to adopt. Mr Norris also contended that some of the opponent's evidence was likely to have been "stock" evidence, submitting that producing such evidence was "not that big an ask".

94. Rule 67 of the Trade Marks Rules 2008 provides:

“The registrar may, in any proceedings under the Act or these Rules, by order award to any party such costs as the registrar may consider reasonable, and direct how and what parties they are to be paid.”

95. Tribunal Practice Notice (“TPN”) 4/2007 indicates that the Tribunal has a wide discretion when it comes to the issue of costs, including making awards above or below the published scale where the circumstances warrant it. The TPN stipulates that costs off the scale are available “to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour”. The opponent has not argued that the applicant has breached any rules or utilised delaying tactics. The matter at issue is whether the applicant’s denial of the opponent’s reputation in energy drinks and requiring the opponent to prove the same, as well as filing irrelevant evidence, should be considered unreasonable behaviour.

96. Whilst I agree with Mr Moss to the extent that narrowing the issues in proceedings before this Tribunal is certainly to be encouraged where appropriate, I do not consider the conduct of the applicant in this case to be demonstrative of unreasonable behaviour. There can be no reasonable doubt that the applicant was aware of the opponent and its activities. I also appreciate that the opponent contacted the applicant on two occasions following the filing of the defence and counterstatement in an effort to narrow the issues in these proceedings. Nevertheless, upon receipt of a notice of opposition in which a reputation is claimed, it remains open to one party to require the other to prove its case by way of evidence. As Mr Norris pointed out, the applicant was entitled to do so. The fact that the opponent has successfully demonstrated a reputation in other proceedings does not alter that position. I have sympathy with the opponent insofar as the applicant’s challenge to its reputation in energy drinks was maintained until shortly before the hearing and I agree that the applicant’s concession could have been made earlier in the proceedings, i.e. once the opponent’s evidence had been reviewed. However, to my mind, while it may not be desirable, the applicant’s approach does not strike me as an abuse of process or otherwise unreasonable behaviour. Efforts can, of course, be made by one party to obtain concessions from

the other, though the burden of demonstrating a reputation is on the party that has claimed one. If the other party is not willing to make a concession, it is for that party to prove it. It is also relevant that the opponent claimed a reputation in all three earlier marks in its notice of opposition and later dropped part of this claim (that being, a reputation in relation to first earlier mark) shortly before the hearing.

97. Turning to the applicant's evidence, a large proportion of this did not assist me in reaching my decision as it was not relevant. Moreover, I did not find the explanations provided by Mr Norris at the hearing as to the relevance of several of the exhibits to Mr Milligan's witness statement to be entirely convincing. However, I am not prepared to infer that the applicant knowingly adduced irrelevant evidence in an attempt to purposefully increase the opponent's costs in these proceedings. Although the filing of only relevant and useful evidence in proceedings before this Tribunal is certainly to be encouraged, I do not consider that circumstances where this is not strictly the case to be demonstrative of an abuse of process or otherwise unreasonable behaviour. It is also considered that some of the opponent's evidence, such as, for example, the extracts from prior disputes involving 'Red Bull' marks, did not assist me for the reasons set out above.

98. In light of the above, having considered the conduct of proceedings, it is my view that off-scale costs are not appropriate in this instance.

99. The relevant scale is contained in TPN 2/2016. While I have found that the applicant's conduct does not justify off-scale costs, I consider it appropriate to make an uplifted award of costs in the opponent's favour in respect of the preparation of its evidence and reviewing that filed by the applicant. This is to reflect the proportion of unnecessary evidence that was filed. In the circumstances, I award the opponent the sum of **£2,100** as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the applicant's counterstatement	£350
Preparing evidence and considering the applicant's evidence	£1,050
Preparing for and attending a hearing	£500
Official fees	£200
Total	£2,100

100. I therefore order Monster Energy Company to pay Red Bull GmbH the sum of **£2,100**. This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings (subject to any order made by the appellate tribunal).

Dated this 26th day of August 2021

James Hopkins
For the Registrar,
The Comptroller General