O/0329/25

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NUMBER 3818928
IN THE NAME OF MONSTER ENERGY COMPANY
FOR THE TRADE MARK

MONSTER

IN CLASSES 9, 35, 41 AND 42

AND

THE OPPOSITION THERETO UNDER NUMBER 438635
BY DUCATI MOTOR HOLDING S.P.A.

Background and pleadings

1. Monster Energy Company ("the applicant") filed an application for the trade mark, MONSTER (number 3818928) on 11 August 2022, for goods and services in classes 9, 35, 41 and 42. The application claims a priority date of 18 February 2022 from the US.

2. Ducati Motor Holding S.p.A. ("the opponent") opposes the application under sections 5(2)(a), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). The opponent relies upon the following two earlier trade mark registrations for its section 5(2)(a) and 5(3) grounds:

(i) 2055171

MONSTER

Filing date: 1 February 1996; priority date (Italy): 4 August 1995; registration date: 4 July 1997

Class 7: *Machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles).*

Class 12: *Motorcycles; parts and fittings therefor.*

Class 25: *Clothing, footwear, headgear; none being articles of clothing and shoes for children and babies.*

(ii) 903112026

MONSTER

Filing date: 28 March 2003; registration date: 2 May 2005

Class 12: *Vehicles; Apparatus for locomotion by land, air or water; Air bags [safety devices for automobiles]; Pumps (Air -) [vehicle accessories]; Anti-glare devices for vehicles; Anti-skid chains; Anti-theft alarms for vehicles; Anti-theft devices for vehicles; Automobile bodies; Automobile chains; Automobile chassis; Automobile hoods; Tyres for motor vehicles; Axle journals; Axles for vehicles; Balance weights for vehicle wheels; Bands for wheel hubs; Baskets adapted for bicycles; Bells for bicycles, cycles; Bicycle bells; Brakes for bicycles, cycles; Frames for bicycles, cycles; Handle bars for bicycles, cycles; Pumps for bicycles, cycles; Rims for wheels of bicycles, cycles; Spokes for bicycles, cycles; Bicycle stands; Bicycle tires [tyres]; Bodies for vehicles; Brake facings for vehicles; Brake segments for vehicles; Brake shoes for vehicles; Brakes for vehicles; Bumpers for automobiles; Vehicle petrol [gas] tanks (Caps for-); Tyre casings; Casters [wheels] for trolleys; Chains for bicycles, cycles; Vehicle chassis; Cleaning trolleys; Clutches for land vehicles; Connecting rods for land vehicles, other than parts of motors and engines; Couplings for land vehicles; Crankcases for land vehicle components, other than for engines; Cranks for cycles; Cycle bells; Hubs for bicycle wheels; Cycle mudguards; Cycle saddles; Cycle stands; Direction indicators for bicycles; Direction signals for vehicles; Doors for vehicles; Dress guards for bicycles, cycles; Driving chains for land vehicles; Driving motors for land vehicles; Motors for land vehicles; Tires (Flanges of railway wheel-); Freewheels for land vehicles; Gear boxes for land vehicles; Gearing for land vehicles; Gears for cycles; Trolleys; Head-rests for vehicle seats; Hoods for vehicle engines; Hoods for vehicles; Horns for vehicles; Hub caps; Hubs for vehicle wheels; Hydraulic circuits for vehicles; Inner tubes for bicycles, cycles; Inner tubes for pneumatic tires; Jet engines for land vehicles; Luggage carriers for vehicles; Luggage nets for vehicles; Mine cart wheels; Motors for cycles; Motors, electric, for land vehicles; Mudguards; Tires (Non-skid devices for vehicle -); Panniers adapted for cycles; Tire patches; Pedals for cycles; Pneumatic tyres; Propulsion mechanisms for land vehicles; Rearview mirrors; Reduction gears for land vehicles; Repair outfits for inner tubes; Reversing alarms for vehicles; Rims for vehicle wheels; Saddle covers for bicycles or motorcycles; Saddles for bicycles, cycles or motorcycles; Safety belts for vehicle seats; Safety seats for children, for vehicles; Seat covers for vehicles; Safety seats for children for vehicles; Security harness for vehicle seats; Suspension shock absorbers for vehicles; Shock absorbers for automobiles; Shock absorbing springs for vehicles; Shopping trolleys [carts (Am)]; Ski carriers for cars; Sleeping berths for vehicles; Spars for ships; Spikes*

for tires [tyres]; Spoke clips for wheels; Steering wheels for vehicles; Sun-blinds adapted for automobiles; Tailgates (Am) Elevating -, Power -[parts of land vehicles]; Ships (Timbers [frames] for -); Torque converters for land vehicles; Torsion bars for vehicles; Traction engines; Trailer hitches for vehicles; Transmission chains for land vehicles; Transmission shafts for land vehicles; Transmissions, for land vehicles; Treads for retreading tires [tyres]; Treads for vehicles [roller belts]; Tubeless tires [tyres] for bicycles, cycles; Turbines for land vehicles; Sack trucks; Tires for vehicle wheels; Undercarriages for vehicles; Upholstery for vehicles; Valves for vehicle tires [tyres]; Vehicle bumpers; Vehicle covers [shaped]; Vehicle running boards; Vehicle seats; Vehicle suspension springs; Vehicle wheel spokes; Vehicle tires; Vehicle wheels; Vehicle tires; Wheels for bicycles, cycles; Windows for vehicles; Windscreen wipers; Windscreens.

3. Under section 5(2)(a) of the Act, the opponent claims that the parties' goods and services are highly similar, or similar, and that the marks are identical, leading to a likelihood of confusion. The opponent claims that the applicant's virtual goods in class 9 will include downloadable virtual sports motorcycles, which are similar to sports motorcycles; and that a consumer owning a MONSTER motorbike may reasonably assume that downloadable virtual goods such as helmets or tool kits also originate from the opponent. In relation to the remaining class 9 goods, the opponent claims that these are similar because they are designed to enable the purchase, collection and exchange of virtual goods. The opponent makes similar claims about the services in classes 35, 41 and 42.

4. Under section 5(3) of the Act, the opponent claims a reputation in its marks for the goods relied upon, for identical marks, such that the relevant public will believe that the applicant's goods and services come from the opponent or an undertaking economically connected to the opponent. There will also be unfair advantage because the contested mark will benefit from the opponent's investment in promoting its marks by free-riding on their repute. If the applicant's goods and services are of poor quality, this could cause damage to the reputation of the opponent's goods. The third type of damage claimed is that the use of the applicant's mark would dilute and whittle away the distinctive character of the opponent's marks and consumers would accordingly

be less capable of identifying the opponent's mark as an exclusive indicator of origin. Consumers would be less likely to purchase the opponent's goods.

5. The earlier marks are subject to the provisions of section 6A of the Act because they had been registered for five years or more at the priority date. The opponent has made a statement that the earlier marks have been put to genuine use for the goods relied upon.

6. Under section 5(4)(a) of the Act, the opponent claims that it has used the sign MONSTER throughout the UK since 1993 in relation to *motorcycles, motorcycle parts, motorcycle accessories, motorcycle clothing, clothing* and *apparel.* The opponent claims that its goodwill entitles it to prevent the use of the application under the law of passing off because the marks and signs are identical, and the goods and services are so similar that the use of the mark would cause misrepresentation and damage to the opponent.

7. The applicant filed a defence and counterstatement, denying the grounds of opposition and putting the opponent to proof that it has used its earlier marks.

8. The opponent is represented by Marks & Clerk LLP and the applicant by Bird & Bird LLP. Only the opponent filed evidence. The matter came to be heard by video conference on 15 May 2024. Mr Mark Wilden of Counsel, instructed by Marks & Clerk LLP, appeared for the opponent. Mr Andrew Norris KC, instructed by Bird & Bird LLP, appeared for the applicant. The opponent refined its pleadings and produced a schedule for the hearing as to which goods and services it opposed under which grounds, which is attached as an annex to this decision.

9. I make this decision after careful consideration of all the oral submissions and the papers on file, referring to them as necessary.

Evidence

10. The opponent's evidence comes from Claudio Domenicali, its CEO since 2013. Mr Domenicali's evidence is aimed at proving genuine use of MONSTER in relation to the goods relied upon, proving reputation and proving goodwill.

Proof of use

11. Section 6A of the Act states:

> "(1) This section applies where
>
> (a) an application for registration of a trade mark has been published,
>
> (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
>
> (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.
>
> (1A) In this section "the relevant period" means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.
>
> (2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.
>
> (3) The use conditions are met if –
>
> (a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
>
> (b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form (the "variant form") differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)-(5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services."

12. As one of the earlier marks subject to the proof of use provisions is a comparable mark (903112026), paragraph 7 of Part 1, Schedule 2A of the Act is also relevant.[1] It reads:

"7.— (1) Section 6A applies where an earlier trade mark is a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the relevant period referred to in section 6A(3)(a) (the "five-year period") has expired before IP completion day—

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

[1] On 1 January 2021, the UK left the EU after the expiry of the transition period. Under Article 54 of the Withdrawal Agreement, the Registry created comparable UK trade marks for all right holders with an existing EUTM or International Registration designating the EU ("IR(EU)"). Earlier mark 903112026 was originally protected in the UK as an EUTM. It is now a comparable mark which is recorded on the UK trade mark register, has the same legal status as if it had been applied for and registered under UK law, and retains its original filing and registration dates.

(b) the references in section 6A(3) and (4) to the United Kingdom include the European Union.

(3) Where [IP completion day] falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day —

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in section 6A to the United Kingdom include the European Union."

13. The first task is to assess whether the evidence supports the opponent's statement that it has made genuine use of the earlier marks. The relevant period for this purpose is the five years ending on the priority date of the contested application: 19 February 2017 to 18 February 2022.

14. The onus is on the opponent, as the proprietor of the earlier marks, to show genuine use because Section 100 of the Act states:

"If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

15. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:[2]

"105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology*

[2] The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

Inc v Laboratories Goemar SA [2004] ECR I-1159, Case C-416/04 P *Sunrider Corp* v *Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C–720/18 and C–721/18 *Ferrari SpA v DU* [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation

has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]."

16. Although the pleadings state that use has been made in relation to a number of goods in three classes for earlier mark (i), and in relation to a wide range of goods in class 12 for earlier mark (ii), that is not sustainable on the evidence. At the hearing, Mr Wilden confirmed that the opponent pursued its claim to have made genuine use of its marks only in relation to sports motorcycles. Since the marks which are the subject of the earlier registrations are identical, I will refer to them in the singular from here, unless it becomes necessary to differentiate between the two registrations.

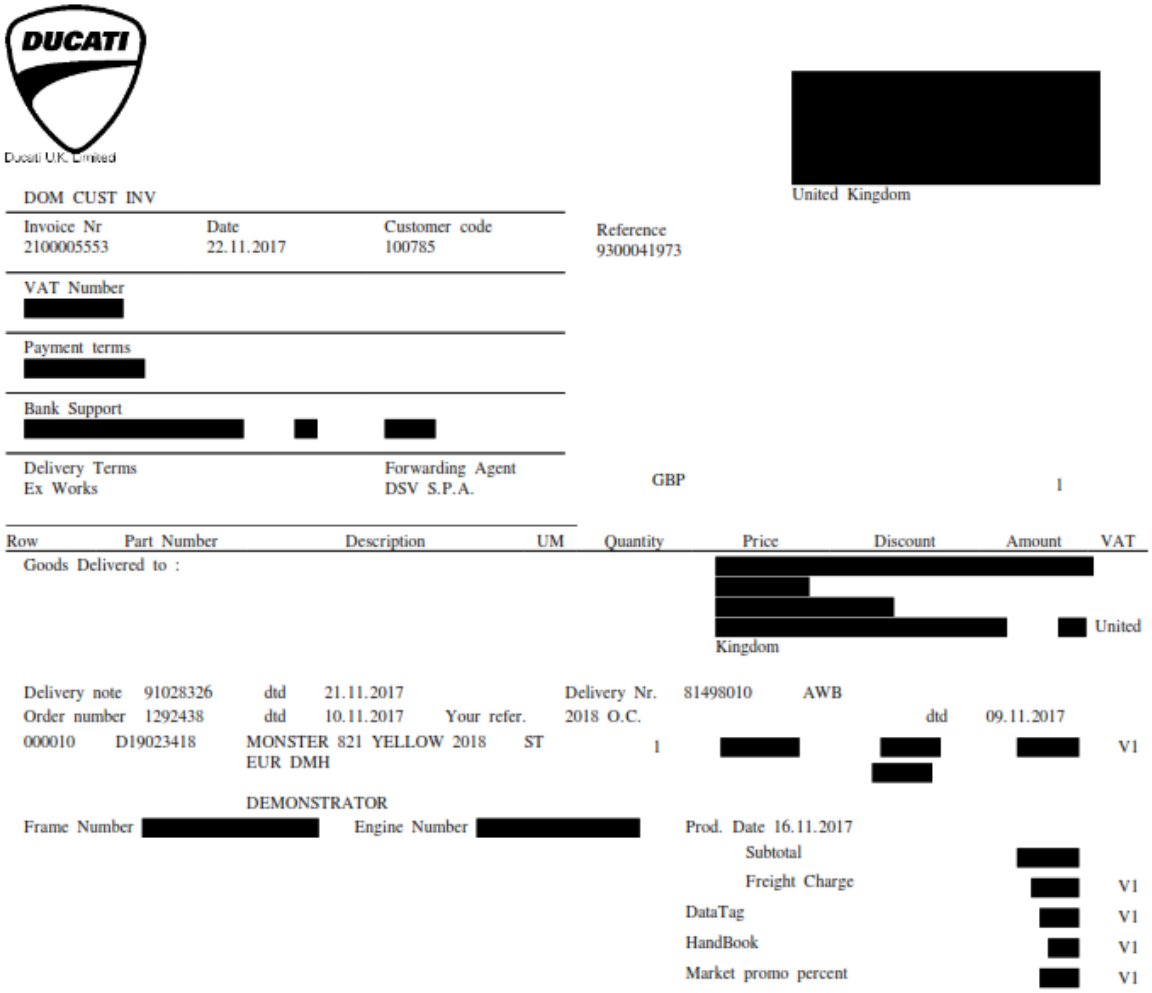
17. Exhibit 2 to Mr Domenicali's witness statement is an extract from Wikipedia, dated 11 February 2022, giving details of the opponent's history. It refers to the opponent producing 'families' of motorcycle models, including a range called MONSTER which was introduced in 1993 as "a naked bike with exposed trellis and engine". Mr Domenicali states that models in the MONSTER range which have been produced over the years are: MONSTER; MONSTER +; MONSTER 821; MONSTER 821 Stealth; MONSTER 1200; and MONSTER 1200 S. Another Wikipedia extract, dated 8 December 2021, provides more detailed history about MONSTER motorcycles; on the basis of this article, Mr Domenicali states that MONSTER motorcycles have been produced continuously since 1993 and by December 2016 around 300,000 had been made. This is a) prior to the relevant period and b) does not tell me how many were sold in the UK, or in the EU prior to 31 December 2020.

18. Exhibit 4 comprises a press release from 5 March 2021 announcing the production of a new MONSTER motorcycle, due for release in April 2021. It notes that the MONSTER family of motorcycles is the opponent's best-selling and longest-running model range.

19. Mr Domenicali gives approximate figures for the number of MONSTER motorcycles sold in the UK and Eire from 2017 to 2021 (rounded to the nearest 25 units). He states that these are "strong sales volumes in the market of naked motorbikes…and sports bikes":

2017	2018	2019	2020	2021	Total
650	475	375	200	300	2000

20. A selection of invoices is shown at Exhibit 5. These are redacted, but show that goods which Mr Domenicali states to be motorcycles appear on the invoices. The invoices also show the goods being shipped to redacted addresses in the UK, within the relevant period: in 2017, 2018, 2019, 2020, 2021 and on 9 February 2022. For example:



DUCATI

Ducati UK Limited

[redacted]
United Kingdom

DOM CUST INV

Invoice Nr	Date	Customer code	Reference
2100005553	22.11.2017	100785	9300041973

VAT Number [redacted]

Payment terms [redacted]

Bank Support [redacted]

Delivery Terms	Forwarding Agent		
Ex Works	DSV S.P.A.	GBP	1

Row	Part Number	Description	UM	Quantity	Price	Discount	Amount	VAT
Goods Delivered to :					[redacted]			
								United Kingdom
Delivery note 91028326 dtd 21.11.2017					Delivery Nr. 81498010 AWB			
Order number 1292438 dtd 10.11.2017 Your refer.					2018 O.C.		dtd 09.11.2017	
000010	D19023418	MONSTER 821 YELLOW 2018 EUR DMH	ST	1	[redacted]	[redacted]	[redacted]	V1
		DEMONSTRATOR						
Frame Number [redacted] Engine Number [redacted]					Prod. Date 16.11.2017			
						Subtotal	[redacted]	
						Freight Charge	[redacted]	V1
						DataTag	[redacted]	V1
						HandBook	[redacted]	V1
						Market promo percent	[redacted]	V1

21. A review about the Monster 821 in *Auto Express* (a UK publication) from 20 December 2017 says “Ducati’s mid-sized Monster has all the style and character of the original V-twin, plus thrilling performance and a competitive price.”[3] The article refers to two others in the range: the 1200 model and the recently released Monster 797 in “Ducati’s naked sports bike family”. A review dated 17 October 2017, in Exhibit 17, shows the same model as in the invoice above, in visordown.com:

22. The mark MONSTER can be seen beneath DUCATI.

23. Mr Domenicali provides a non-exhaustive list, or map, of Ducati dealers in the UK where he states consumers will have been able to access MONSTER goods; he states that MONSTER motorcycles have been available throughout the UK from a variety of

[3] Exhibit 7.

dealers for a number of years. Exhibit 18 comprises a copy of an advertisement produced for the UK market (the prices are in pounds sterling). It is undated, but Mr Domenicali understands it to have been produced in January 2020; he points out that the small print says that the finance terms offered in the advert were due to expire in March 2020. The mark is visible on the motorcycle in the advertisement, as well as "Monster 797, Affordable style, that's Monster". Another advertisement is shown in Exhibit 19, which Mr Domenicali understands was produced in September 2021. That one says "New Monster" and "Monster+ Aviator Grey". In the same year, *Motor Cycle News* awarded the Ducati Monster the "Best sub-1000cc Bike of 2021" accolade.[4]

24. The applicant submits that the evidence shows use of DUCATI MONSTER, not MONSTER. The invoices refer to MONSTER and the advertisements refer to MONSTER. The images of the motorcycles show use in conjunction with DUCATI: DUCATI MONSTER. This last version of use is in accordance with the judgment of the Court of Justice of the European Union ("CJEU") in *Colloseum Holdings AG v Levi Strauss & Co* in which the court stated that the "'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark" as long as the mark is perceived as indicative of the trade origin of the goods or service.[5] The evidence shows use of the registered mark.

25. It is important to remember that an assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each piece of evidence shows use by itself.[6] Deficiencies in some of the exhibited material, such as relying on Wikipedia evidence rather than evidence from the opponent itself, can be compensated for by other aspects of the evidence; such as exhibits which corroborate one another. For example, the invoice which I have shown above shows a sale of a yellow Monster 821 motorcycle on 22 November 2017. This is the model which was the subject of the *Auto Express* article on 20 December 2017 and was the model and the colour which featured in the visordown.com article on 17

[4] Exhibit 25.
[5] Case C-12/12.
[6] *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, General Court of the European Union, Case T-415/09.

October 2017, in Exhibit 17. Producing adverts in the consecutive years of 2020 and 2021 shows that MONSTER motorcycles were present on the UK market, and gaining an award in the second of those years confirms that fact. It is true that the sales figures do not differentiate between the UK and Eire. That is not an issue for the years 2017 to 2020 in relation to the comparable mark which covers sports motorcycles; EU use (i.e. Irish sales figures) can be taken into account, as well as UK figures for those years. It is an issue in relation to the UK registration for all the years for which sales figures are given and the problem is exacerbated by the relatively low numbers. If turnover is in the many millions of pounds, it is easier to say that, proportionately, several millions of those pounds are likely to be attributable to UK use. However, even with the relatively low numbers, given the relative UK and Eire population numbers, I find that proportionately the bulk of the sales are, on the balance of probability, likely to have been UK sales. The invoices in Exhibit 5 are all UK invoices, there are a number of Ducati dealers throughout the UK where Mr Domenicali states MONSTER motorcycles were available to purchase during the relevant period, and Auto Express and Motor Cycle News ("MCN"), which reviewed the goods (and made an award) are UK publications.

26. Mr Domenicali explains that MONSTER motorcycles are 'naked' motorcycles:

> "Naked motorbikes are a sub-group of "sports" motorbikes, which is itself a sub-group of all motorbikes. Sports bikes are built for power and speed, and naked bikes are "unfaired" sports bikes. The term naked refers to sports bikes without a fairing to obscure the engine and bike frame, and normally naked bikes do not have a screen over the handlebars. To confirm, not all bikes without fairings are naked bikes – for example, custom bikes, off-roaders and adventure sports bikes are unfaired but are not considered naked bikes."

27. The sales figures do not seem large. The opponent has provided no market context other than what Mr Domenicali says above. However, genuine use is not about substantial sales. All facts and circumstances are relevant. It depends upon a variety of factors, including the nature of the goods and the characteristics of the market; the consistency of sales over time and whether the use is warranted to create or maintain a share in that market. In this case, there are annual sales, stability of the

mark in the market place, and the goods feature regularly in the motorcycle press. Taking the evidence in the round, I find that it shows genuine use in relation to sports motorcycles. I have considered whether, in the light of Mr Domenicali's explanations about groups and sub-groups of sports bikes and naked bikes, whether it would be appropriate to restrict the specification to naked motorcycles. However, having read all the press evidence and applying the case law, it would, in my view, be pernickety to strip sports motorcycles back further to 'naked' motorcycles. The average consumer would describe the use as sports motorcycles and would consider naked motorcycles to be sports motorcycles.[7] The opponent may rely upon sports motorcycles for its section 5(2)(a) ground and for the section 5(3) ground, dependent upon the existence of a qualifying reputation in the case of the latter ground.

Section 5(2)(a) of the Act

28. Section 5(2)(a) states:

> "5. (2) A trade mark shall not be registered if because –
>
> (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
>
> (b) […]
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

29. Section 5A states:

> "Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the

[7] *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch).

trade mark is applied for, the application is to be refused in relation to those goods and services only."[8]

Comparison of goods and services

30. 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."

31. 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.

32. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, the General Court ("GC") stated that complementary means:[9]

> "82 … there is a close connection between [the goods], 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…".[10]

[8] This section also applies to the grounds raised under sections 5(3) and 5(4)(a) of the Act.
[9] Case T-325/06, the General Court of the European Union.
[10] In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is capable of being the sole basis for the existence of similarity between goods and services.

33. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

> "… 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."

34. The opponent narrowed its section 5(2)(a) claim in its skeleton argument, attaching a table as an annex ("Schedule 1") to show where the opponent now claims similarity of goods and services to lie (and for the section 5(3) and 5(4)(a) grounds). I have reproduced the full table as an annex to this decision. The only goods now opposed under section 5(2)(a) are in class 9. The amended claim in the opponent's Schedule 1 looks like this:

SCHEDULE 1: Goods and services opposed by the Opponent

Class 9

Goods claimed in the Application	Opposed for s.5(2)(a)	Opposed for s.5(3) / s.5(4)(a)
Downloadable virtual goods in the field of beverages, food, supplements, sports, and apparel; downloadable virtual goods in the field of beverages, food, supplements, sports, and apparel for use in virtual environments and worlds; downloadable virtual goods, namely, beverages, food, supplements, bags, beverageware, coolers, clothing, headwear, footwear, gloves, tool kits, helmets, umbrellas, blankets, tents, towels, sporting	Yes: these goods include downloadable virtual sports motorcycles, which are similar to motorcycles.	Yes.
equipment, timepieces, jewelry, toys, toy cars, games, notebooks, coasters, and posters;		
downloadable virtual goods, namely, accessories in the field of beverages, supplements, and food;	No.	Yes.
downloadable virtual goods, namely, computer programs featuring beverages, food, supplements, bags, beverageware, coolers, clothing, headwear, footwear, gloves, tool kits, helmets, umbrellas, blankets, tents, towels, sporting equipment, timepieces, jewelry, toys, toy cars, games, notebooks, coasters, and posters;	Yes: these goods include downloadable virtual sports motorcycles, which are similar to motorcycles.	Yes.
downloadable virtual goods, namely, computer programs featuring accessories in the field of beverages, supplements, and food;	No.	Yes.
downloadable multimedia file containing artwork, text, audio, and video; downloadable multimedia file containing artwork, text, audio, and video relating to beverages, food, supplements, sports, and apparel authenticated by non-fungible tokens;	Yes: these goods include downloadable virtual sports motorcycles, which are similar to motorcycles.	Yes.

blockchain tokens; downloadable computer software for managing, displaying, monetizing, buying, selling, trading, transferring, clearing, confirming, and authenticating virtual goods, blockchain tokens, digital tokens, non-fungible tokens, digital media, digital files, and digital assets; downloadable computer software for use as a digital token wallet; cryptocurrency hardware wallets; downloadable software for enabling users to electronically create, store, send, receive, accept, exchange, and transmit digital assets; downloadable computer programs for data storage; downloadable computer programs for blockchain data storage; downloadable computer software for facilitating transactions with others; downloadable computer software for facilitating blockchain-based financial transactions; downloadable computer programs for data authentication;	No.	No.

Goods claimed in the Application	Opposed for s.5(2)(a)	Opposed for s.5(3) / s.5(4)(a)
downloadable computer programs for data authentication via blockchain; downloadable computer software featuring the purchase and sale of rights to digital goods; downloadable computer software for managing digital collectibles;		
downloadable digital files; software;	Yes: these goods include downloadable virtual sports motorcycles, which are similar to motorcycles.	Yes.
downloadable digital file sharing software; downloadable computer software and downloadable mobile application software for viewing images, videos, and content relating to beverages, food, supplements, sports, and apparel.	No.	No.

35. This is not very clear. For example, it is not clear how downloadable goods in the field of beverages and food can be similar goods to sports motorcycles, within the parameters of the case law for section 5(2)(a). The problem seems to lie in the fact that the table also covers the amended claims for sections 5(3) and 5(4)(a).

36. Paragraph 6 of the opponent's skeleton argument says:

> "There is a likelihood of confusion between software, including downloadable digital files and virtual goods, and sports motorcycles as protected by the Earlier Registrations. This is because the signs are identical, and downloadable virtual goods as claimed will include downloadable virtual sports motorcycles which are similar to sports motorcycles."

37. In the section of the skeleton argument which deals with the comparison of goods in class 9 for the purposes of section 5(2)(a), the only goods which are highlighted as being opposed (with an explanation as to why they are similar) are listed at paragraphs 25 and 29. They are "*Class 9 downloadable virtual goods: sports and sporting equipment*" and "*Class 9 downloadable multimedia files, downloadable digital files and software*". Putting this together with the table, the goods opposed under section 5(2)(a) in class 9 are:

> *Downloadable virtual goods in the field of sports; downloadable virtual goods in the field of sports for use in virtual environments and worlds; downloadable virtual goods, namely, sporting equipment; downloadable virtual goods, namely, computer programs featuring sporting equipment; downloadable multimedia file containing artwork, text, audio and video; downloadable multimedia file containing artwork, text, audio, and video relating to sports authenticated by non-fungible tokens; downloadable digital files; software.*

38. At paragraphs 25 to 29 of its skeleton argument, the opponent makes the following points:

- the applicant's downloadable virtual goods include downloadable virtual sports motorcycles;
- the opponent accepts that the goods do not have the same nature and are not in competition;
- sports motorcycles and virtual sports motorcycles have the same method of use, albeit in different 'worlds'. An avatar which is controlled by a consumer would use a virtual sports motorcycle in a virtual world in the same way that a consumer would use a physical sports motorcycle in the physical (real) world. There is an overlap between the end user of the virtual and physical goods and the method of use;
- the intended purpose of both goods is for entertainment and recreation, such as the opponent's evidence which shows that there is a UK Monster Club, officially recognised and supported by the opponent, and by the organisation of

motorcycle-related events.[11] In each 'world', the goods are used for transportation and 'self-expression';

- the opponent acknowledges that there is no evidence before the Registrar of virtual sports motorcycles in the market, and particularly of trade channels; or whether it is common in the trade for a brand such as the opponent to sell its goods in virtual reality as well as in the real world. The opponent takes the view that this is because the market for such goods is young, referring to the IPO's Practice Amendment Notice 2/23 "The classification of non-fungible tokens (NFTs), virtual goods, and services provided in the metaverse". The opponent submits that the mimicry of the goods will cause consumers to assume that virtual goods offered under the same marks as physical counterparts will originate from the same trade source;
- the goods are highly complementary because they are equivalents in parallel worlds;
- all relevant factors must be taken into account; the *Canon* and *Treat* factors are not a closed list. The mimicry of physical goods is a specific purpose and outcome of the creation of corresponding virtual goods, such that the intended purpose and method of use of virtual goods would be understood to be similar if the avatar would use the goods in the same way as a consumer would use the physical goods in the physical world;
- virtual goods are a new kind of good for which the market is not mature and common practices in the trade may not yet have emerged.

39. At the hearing, Mr Wilden submitted that the goods are likely to have the same appearance and that the virtual sports motorcycle will be designed to act in the same way as the physical sports motorcycle. This appeared to be the basis for the complementarity submission: that virtual motorcycles would be meaningless and have no attraction for consumers without their awareness of the brand of the real-world motorcycle. Mr Wilden submitted that the goods were highly complementary.

40. In his skeleton argument, Mr Wilden cited an extract from the EUIPO Examination Guidelines:

[11] Exhibit 26.

“The fact that virtual goods depict or emulate the functions of real-world goods does not make them identical to their real-world counterparts. However, similarity between these goods is possible and must be assessed. The degree of similarity of the goods and services is a matter of law, which must be assessed by the Office. However, when comparing goods and services, the Office is restricted to examining the facts, evidence and arguments provided by the parties (Article 95(1) EUTMR). In addition, the Office must take account of well-known facts (03/07/2013, T-106/12 , Alpharen, EU:T:2013:340).”

41. However, the whole of the relevant section from the Guidelines is worth reproducing:

“**5.9 Virtual goods versus real-world goods**

Virtual goods are understood to be non-physical items intended for use in the course of trade in online or virtual environments. For example, they can be digital image files or computer software that (i) merely depict real-world goods; (ii) depict and emulate the functions of real-world goods; or (iii) represent objects with no equivalent in the real world (see the Guidelines, Part B, Examination, Section 3, Classification, paragraph 4.4, Virtual goods, services in virtual environments and NFTs).

The fact that virtual goods depict or emulate the functions of real-world goods does not make them identical to their real-world counterparts. However, similarity between these goods is possible and must be assessed. The degree of similarity of the goods and services is a matter of law, which must be assessed by the Office. However, when comparing goods and services, the Office is restricted to examining the facts, evidence and arguments provided by the parties (Article 95(1) EUTMR). In addition, the Office must take account of well-known facts (03/07/2013, T-106/12 , Alpharen, EU:T:2013:340).

The comparison of virtual goods with their real-life counterparts involves applying criteria in novel situations. Consequently, it is crucial that the parties provide arguments and evidence showing in which respects the respective goods are similar.

In general terms, the outcome would then depend on whether the parties can show that the manner in which the virtual goods relate to the real-world goods fulfil the Canon criteria, or whether other relevant factors may apply in view of the specificities of the case. Relevant factors will include the following.

- Whether or not it is usual for producers of the real-world goods in question to produce virtual counterparts or vice versa. This may vary depending on the type of goods, the industry concerned and the common practices in the relevant market sector which can change over time.
- Whether or not the real-world goods have the same function and purpose as their virtual counterparts (e.g. printed publications in Class 16 and virtual publications in Class 9 share the same purpose).
- Whether or not any of the other factors indicating similarity, as defined in paragraph 3 'Similarity of Goods and Services' of the Guidelines, are applicable.

In line with general principles, some of the relevant criteria may be interrelated. Therefore, when assessing the similarity of goods and services, all the relevant factors characterising the relationship between them must be taken into account."

42. Mr Norris questioned whether the construction of the applicant's specification even covers virtual sports motorcycles; i.e. for example (my underlining), *Downloadable virtual goods in the field of sports; downloadable virtual goods in the field of sports for use in virtual environments and worlds; downloadable virtual goods, namely, sporting equipment; downloadable virtual goods, namely, computer programs featuring sporting equipment*. I think there is force in his point, particularly with regard to 'sporting equipment'. The natural meaning of that term, from the viewpoint of average consumers, is not sports motorcycles. It is tennis racquets, football goals, cricket practice nets, rugby training paraphernalia and suchlike; the sort of equipment that is

sold via a sports outlet.[12] I find accordingly and I find that there is no other basis upon which there could conceivably be any similarity between the opponent's goods and *downloadable virtual goods, namely, sporting equipment; downloadable virtual goods, namely, computer programs featuring sporting equipment*.

43. In relation to *Downloadable virtual goods in the field of sports; downloadable virtual goods in the field of sports for use in virtual environments and worlds*, the question is whether goods in the field of sports covers virtual sports motorcycles. The opponent's argument is that the opponent's goods are sports motorcycles which are used in sports and the applicant's term covers virtual goods "in the field of sports"; therefore the term covers virtual sports motorcycles. The applicant's argument is that the construction of the term does not cover virtual motorcycles because they are not a sport. If one considered a more mundane example, such as a virtual football, I think that would be covered by "Downloadable virtual goods in the field of sports". It is something used in the field of sports. On that logic, a sports motorcycle is used in the field of motorsports. Because motorsport is in "the field of sport", I will include these terms in the comparison with the opponent's goods. The opponent's claim is that all the opposed class 9 goods are similar to its sports motorcycles because they include downloadable virtual sports motorcycles. I will therefore consider them together, as a homogenous group: *Downloadable virtual goods in the field of sports; downloadable virtual goods in the field of sports for use in virtual environments and worlds; downloadable multimedia file containing artwork, text, audio and video; downloadable multimedia file containing artwork, text, audio, and video relating to sports authenticated by non-fungible tokens; downloadable digital files; software.*[13]

44. There is no evidence that it is usual for producers of physical sports motorcycles to produce virtual counterparts, or vice versa. Mr Wilden submitted that they will have the same users because users of virtual motorcycles will include users of real-world motorcycles. This appears to me to be a weak argument, or one of high generality. People will (or can) use anything in a virtual world. It cannot be said that the goods

[12] See *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32
[13] See *Standard International Management LLC v Asia Standard Management Services Limited* [2020] EWHC 28 (Ch), at [8].

share the same function and purpose in the way that the goods cited in the example given in the Guidelines do (physical and virtual publications in classes 16 and 9). However, Mr Wilden submitted that the parties' physical and virtual sports motorcycle counterparts do have the same purpose, for the reasons set out in his skeleton argument (above): entertainment, recreation, self-expression and transportation (within a virtual world). This seems nebulous. The example in the Guidelines, physical and virtual publications, share the same purpose in the real world. The opponent accepts that the goods do not have the same nature and are not in competition. There is no complementarity that I can discern in the sense of *Boston*. The opponent's submission that complementary exists because virtual motorcycles would be meaningless and have no attraction for consumers without their awareness of the brand of the real-world motorcycle does not seem correct; there is nothing to stop the (virtual) existence of virtual motorcycles that do not mimic real-world motorcycles. Bringing brand awareness into the equation is not comparing whether goods are similar. There is no similarity in method of use. The goods are not similar.

45. In *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77, Lady Justice Arden stated that:

> "49.... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity."

46. As I have found that there is no similarity between any of the opposed goods and the opponent's goods under section 5(2)(a), this ground of opposition fails.

Section 5(3) of the Act

47. Section 5(3) states:

"(3) A trade mark which-

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 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.

(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected."

48. 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'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C-383/12 P, *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; G*eneral 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) the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that use of the latter will take unfair advantage of, or will be detrimental to, the distinctive character or the repute of the earlier mark; *L'Oreal v Bellure NV*, paragraph 44.

(g) 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.

(h) 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*.*

(i) 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'Oreal v Bellure NV,* paragraph 40*.* The stronger the reputation of the earlier mark, the easier it will be to prove that detriment has been caused to it; *L'Oreal v Bellure NV*, paragraph 44.

(j) 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).*

49. Reliance upon this ground requires evidence of a reputation amongst a significant part of the relevant public, as stated in *General Motors*:

"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."

50. As mentioned earlier in this decision, the turnover figures for Ireland may be taken into account until the end of 2020 in relation to the comparable mark for the purpose of assessing a relevant reputation.[14]

51. All relevant facts are to be considered "in particular the market share held by the trade mark, the intensity, geographic extent and duration of its use and the size of the investment made by the undertaking in promoting it. It is shown in the evidence that at the relevant date the mark had been in use for almost 30 years, and that the opponent's dealers are located in most areas of the UK.

52. However, there are no figures given about market share. Mr Domenicali states that the sales figures (totalling about 2000 units for the years 2017 to 2021) are "strong sales volumes in the market of naked motorbikes…and sports bikes". There is no evidence to place his statement in context. The opponent could have provided industry figures showing competitors' sports motorcycle sales volumes for comparison. There are also no figures about the opponent's marketing spend. That said, I bear in mind that in *Farmeco AE Dermokallyntika v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-131/09, the GC said that the absence of turnover and marketing figures was not in itself fatal to a finding of reputation. The Court stated that the list of factors, as set out in *General Motors*, are examples, as all relevant evidence must be taken into consideration. In that case, the indirect advertising (of the mark BOTOX) which had resulted from its presence in the press, irrespective of the efforts of the owner of the mark, had resulted in a significant section of the public gaining knowledge of the mark, sufficient to prove a qualifying reputation. Reputation is a knowledge threshold: *Burgerista Operations GmbH v Burgista Bros Limited* [2018] EWHC 35 (IPEC) at paragraph 69.

53. In *Spirit Energy Limited* v *Spirit Solar Limited*, Mr Phillip Johnson, sitting as the Appointed Person, held that the opponent had not established a qualifying reputation for section 5(3) purposes.[15] The opponent traded in solar energy equipment and installations and had used its mark in relation to such goods/services for 7 years prior to the relevant date in the proceedings. During the five years prior to the relevant date,

[14] Paragraph 10 of Part 1, Schedule 2A of the Act.
[15] BL O/034/20

it had installed solar energy generation equipment in over 1000 domestic homes and made over 700 installations for commercial customers. These sales had generated nearly £13m in income. However, there was limited evidence of advertising and promotion, and the amount spent promoting the mark had fallen in the years leading up to the relevant date. Additionally, the mark had only been used in South East England and the Midlands. Taking all the relevant factors into account, the Appointed Person therefore decided that such use of the mark was not sufficient to establish a reputation for the purposes of section 5(3).

54. In *GNAT and Company Ltd & Anor v West Lake East Ltd & Anor* [2022] EWHC 319, HHJ Hacon held that the claimants had not established a qualifying reputation for the purposes of section 10(3). The claimants had operated a restaurant at the Dorchester Hotel in Park Lane for around four years prior to the relevant date. Turnover was between £5m and £6m each year, which equated to approximately 70,000 customers served per year; advertising spend had varied significantly, from around £5,000 at its lowest to over £47,000. The claimants had provided dining vouchers worth about £17,000 to charities and there had been some press coverage and awards but only 7 such articles appear to have been in evidence. The judge stated that, although it was likely that a spread of individuals across the UK would have read the articles or been made aware of the awards, the claimants' market share was tiny relative to the UK restaurant business as a whole. The advertising sums were also very small in that context and the business was in relation to a single restaurant. The judge concluded that the evidence satisfied the 'geographic' aspect of the test but not the 'economic' one, and that the use was not sufficient to establish that the claimants' mark had a reputation.

55. In *Jadebay and Anor v Clarke-Coles Limited* [2017] EWHC 1400 (IPEC), Her Honour Judge Melissa Clarke, sitting as a Deputy Judge of the High Court, held that the claimants had not established a qualifying reputation in flagpoles which had only ever been sold on Amazon, and that the trade mark was only ever seen by consumers who had actually bought the flagpoles. There was no information about the marketplace for flagpoles. There was no evidence of marketing of the trade mark. The only section of the public, therefore, with knowledge of the trade mark was the section which had bought the goods. Solar energy equipment are also goods which

are unlikely to be indirectly publicised in the press outside of the efforts of the owner of the trade mark. In the Dorchester hotel restaurant case, there was little evidence of indirect publicity, with only seven articles in evidence.

56. Comparing the facts of cases only gets one so far and I bear in mind that the onus is on the opponent to make out its case on the evidence. It is a higher bar than for genuine use. The opponent seeks extended protection; extended because section 5(3) gives protection for similar trade marks for dissimilar goods and services. I think that the type of goods at issue here, in terms of the relevant public's knowledge, is of some importance. The goods are not flagpoles or solar panels, but the sort of goods which have a following even though not every 'follower' may own a motorcycle. For instance, most people have heard of Ferrari sports cars, even though they have never owned one. That is not to say that MONSTER motorcycles have achieved that level of fame; I am not suggesting that. It is to illustrate the point that afficionados of motor sport, and car and motorcycle enthusiasts read the motor press and have knowledge about such matters without necessarily owning goods bearing the trade marks.[16] With that in mind, I will look more closely at the UK press evidence and other publicity for the opponent's mark than was necessary for a finding that genuine use had been made of the mark.

57. Exhibit 7 comprises a review of the Monster 821 from the UK publisher *Auto Express* dated 20 December 2017. Information in the exhibit about *Auto Express* states that its website has over 45 million unique users annually, and its print magazine sells over 1.8 million copies. These are not stated to be confined to the UK. The review of the Monster 821 gives its pros and cons and begins:

> "The Monster 821 has similar capacity to the M900 Monster that began Ducati's famous family of naked V-twins back in 1993, and it shares some of the old model's raw character, as well as its look."

[16] See also *Louis Vuitton Malletier v EUIPO*, GC, Case T-275/21: "47. Furthermore, the fact that the goods covered by the contested mark are targeted at the general public in no way diminishes the relevance of the fact that, in accordance with the applicant's marketing strategy, the contested mark is positioned in the luxury segment. As the applicant rightly submits, even consumers in the general public who are unable to purchase luxury branded goods are often exposed to them and are familiar with them. The fact that a trade mark is among the best-known luxury brands may therefore, in principle, be relevant for the purposes of assessing the general public's perception of that mark."

58. The review goes on to say:

> "This is the mid-ranking Monster, sitting between the 1200 models and the recently released Monster 797 in Ducati's naked sports bike family."

59. Exhibit 8 comprises a review of the Monster 1200R reported in *MCN*, dated 7 September 2021: "the new Monster R can certainly head straight to the race track". Page 5 of the exhibit gives information about *MCN*. The publication, which is now available in print and online, was launched in 1955. It describes itself as "the world's primary source for all the most significant new motorcycle releases and the expert team ride and rate the latest new metal, cover in-depth news investigations on the issues that really matter, help riders find their next bike and share up-to-the minute motorcycle racing new and insight." Exhibit 9 contains an *MCN* review dated 20 November 2020, wherein the author says the Monster 1200S is "modern but still very much a Monster…the best Monster Ducati has ever made." The reviewer also says:

> "The Ducati Monster 1200 S occupies a niche in the market these days somewhere between a naked and a retro."

60. A third review in *MCN*, published on 9 June 2021, said:

> "When the Ducati Monster first hit the streets way back in 1993, with its sinuous tank and pokey twin-cylinder engine, no-one realised just what an impact it would have. Since then, more than 350,000 have been sold, so when it comes to reinventing it, Ducati didn't want to get it wrong…[the new 2021 model] still feels very much like the Monster we know and love. If anything, it feels even more Monster-ish."

61. Exhibit 17 comprises a large number of articles and reviews about Monster motorcycles published on the UK websites visordown.com and bennetts.co.uk between 2017 and 2021. Visordown describes itself as the UK's biggest digital-only motorcycle brand and features insights and opinion from some of the world's best-known and highly respected motorcycle journalists. Bennetts states that it celebrated

its 90th birthday in 2020 and describes itself as one of the UK's leading motorcycle, multi-bike and classic motorcycle insurance brokers, also providing a motorcycling club including reviews on new and used bikes, testing, news, features and videos.

62. As referred to earlier in this decision, *MCN* awarded MONSTER the "Best Sub-1000cc Bike" of 2021, which was the year prior to the relevant date. This award is a good example of indirect advertising of MONSTER in a major UK motorcycling press publication whereby the mark will have come to the attention of the readers of the magazine.

63. The sales figures appear low. However, despite no concrete market information, the evidence points to the market being niche. Naked bikes are a sub-set of sports bikes. Only some motorcyclists are going to want a motorcycle without fairings to protect them from the wind. The *MCN* journalist in 2020 said that "The Ducati Monster 1200 S occupies a niche in the market these days somewhere between a naked and a retro." The Monster family of motorcycles has had a long time to come to the attention, or knowledge, of the relevant public: 29 years. The motorcycling press consistently publishes articles about Monster models, along with comments like "some of the old model's raw character", "modern but still very much a monster …the best Monster Ducati has ever made", "still feels very much like the Monster we know and love." The mark is not a recently introduced brand: it is a brand of some longevity in the world of motorcycling. In the year prior to the relevant date it would have been very current and in the minds of the readers of *MCN* because of the *MCN* award and a new model which had come out that year, to add to a line of models in a family which had borne the same mark for 29 years. I find that, taking into consideration all the relevant facts of the case, as required by *General Motors*, that the opponent has met the knowledge threshold required: at the relevant date, MONSTER was known by a significant part of the public interested in sports motorcycles.

64. However, the strength of the reputation is a factor in whether the relevant public will make a link with the opposed goods (the expanded list for section 5(3), set out in Schedule 1 in the annex). Another factor is how distinctive the mark is. It is not a unique word: it is an ordinary dictionary word. For a motorcycle, it is allusive of something fearsome and powerful (like a beast), although its distinctiveness is

somewhat enhanced through use. Although I have found that the mark has a qualifying reputation, I am not able to say that it is a mark with a strong reputation because of the gaps identified in the evidence. When the word MONSTER is met in the context of what appears to be the high point of the opponent's case, *downloadable virtual goods in the field of sports for use in virtual environments*, I am not convinced that a link with the opponent's goods will be made, even if that encounter is in the context of a virtual motorcycle. If the opponent's physical goods are brought to mind when someone is playing in or creating a virtual world, the modest reputation and the ordinariness of the word MONSTER will not create a link which lingers long enough for any damage to be caused. The other opposed goods and services under this ground are even further away in terms of similarity (such as downloadable food and umbrellas, and entertainment services). There will be no link for any of the other opposed goods and services. Although Exhibit 28 shows various brand collaborations and sponsorship details between the opponent and other brands, such as Bulgari and Diesel, these were between DUCATI and other brands, not MONSTER and other brands. In the context of downloadable computer goods, there is no reason why the relevant public would be confused as to trade origin, nor is there evidence of the type of image transfer which would provide a commercial advantage which would be unfair. The opponent's arguments as regards the other two heads of damage are speculative in terms of a change of economic behaviour.[17] So, although there is a reputation, i.e. the threshold has been crossed to engage section 5(3), that is only the beginning of the assessment. There are other factors which point strongly away from a conclusion that any of the three types of damage would be present. The section 5(3) ground fails.

Section 5(4)(a)

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

> "(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

[17] *Unite The Union v The Unite Group Plc*, Case BL O/219/13, Ms Anna Carboni sitting as the Appointed Person, and *Environmental Manufacturing LLP v OHIM,* Case C-383/12 P

(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, where the condition in subsection (4A) is met,

(aa) […]

(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."

66. Subsection (4A) of Section 5 states:

"(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

67. The three elements which the opponent must show are well known. In *Discount Outlet v Feel Good UK* [2017] EWHC 1400 (IPEC), Her Honour Judge Melissa Clarke, sitting as a Deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

"55. The elements necessary to reach a finding of passing off are the 'classical trinity' of that tort as described by Lord Oliver in the Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether *"a substantial number"* of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

68. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217, at 223:

> "What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start."

69. The evidence shows that the opponent, at the relevant date, had goodwill in its business associated with the sign MONSTER in relation to *sports motorcycles*.

70. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt LJ stated that:

> "There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is
>
> > "is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]".

71. Earlier in this decision, I found that the opposed goods in class 9 under section 5(2)(a) were not similar to the opponent's goods. These represent the high point of the opponent's case. The goods and services opposed under section 5(4)(a) go wider than those opposed under section 5(2)(a) (see the schedule in the annex). Although section 5(4)(a) is not subject to section 5(2) goods and services comparison case law, similarity of goods and services is not irrelevant either. The further the distance between them, the more of a task the opponent faces to prove misrepresentation and damage. In *Harrods Limited v Harrodian 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. 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.' "

72. I cannot see that the passing off ground puts the opponent in any better a position than the section 5(2)(a) ground. It cannot be said that the evidence paints a picture of MONSTER as a household name for sports motorcycles. Encountered in the remote environment of virtual worlds, it is unlikely that the opponent's customers and potential customers will be deceived into believing that, taking the high point of the opponent's case, that the opponent is responsible for virtual motorcycles. I bear in mind that Exhibit 28 shows a collaboration between Ducati and the fashion brand Diesel, producing a limited edition motorcycle; a collaboration between Ducati and Bulgari to produce a limited edition watch; and a sponsorship agreement between Ducati and diadora, resulting in co-branded clothing and footwear (it is not clear whether this was just for the racing team). However, this all relates to the brand DUCATI, not MONSTER. I do not see how this helps the opponent because I have already said that the evidence is not weighty in relation to MONSTER, which is an ordinary dictionary word in the UK. I do not know how well-known DUCATI is in the UK because that is not an issue before me, but I can say that it is not an ordinary English dictionary word. It appears unlikely that a substantial number of the opponent's customers, or potential customers, would be deceived by the applicant's use of the mark on the opposed goods and services. There is no misrepresentation and therefore no damage. The opponent's section 5(4)(a) ground fails.

Overall outcome

73. The opposition fails. The application may proceed to registration.

Costs

74. The applicant has been successful and is entitled to a contribution towards its costs, based upon the scale of costs published in Tribunal Practice Notice 2/2016. It asks for costs off the scale because it was not until the opponent's skeleton argument that it refined its pleadings in terms of the goods and services which it opposed, and because it relied upon a broad case for proof of use until the skeleton argument. The

opponent resists on the basis that the applicant's response to the opposition has been passive, it not having filed evidence, and it submits that the applicant's skeleton argument was relatively light. However, the applicant's attorneys would clearly have spent time (and money) considering the opponent's evidence to see how far it proved proof of use. I think it would have been fairly obvious relatively quickly that it did not go to the vast majority of the goods relied upon. Time would have been spent considering the goods and services, before these were further particularised in the opponent's skeleton argument. Whilst I do not think this behaviour warrants off-scale costs, I will make an award at the top of the scale as a contribution towards the work done in preparation for the hearing prior to, and in respect of, the very late particularisation. The breakdown of the award of costs is therefore as follows:

Considering the TM7 and filing the TM8 and counterstatement	£350
Considering the opponent's evidence	£1000
Preparing for and attending a hearing	£1600
Total	£2950

75. I order Ducati Motor Holding S.p.A. to pay to Monster Energy Company the sum of £2950. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of April 2025

Judi Pike
For the Registrar

Annex

SCHEDULE 1: Goods and services opposed by the Opponent

Class 9

Goods claimed in the Application	Opposed for s.5(2)(a)	Opposed for s.5(3) / s.5(4)(a)
Downloadable virtual goods in the field of beverages, food, supplements, sports, and apparel; downloadable virtual goods in the field of beverages, food, supplements, sports, and apparel for use in virtual environments and worlds; downloadable virtual goods, namely, beverages, food, supplements, bags, beverageware, coolers, clothing, headwear, footwear, gloves, tool kits, helmets, umbrellas, blankets, tents, towels, sporting	Yes: these goods include downloadable virtual sports motorcycles, which are similar to motorcycles.	Yes.

Goods claimed in the Application	Opposed for s.5(2)(a)	Opposed for s.5(3) / s.5(4)(a)
equipment, timepieces, jewelry, toys, toy cars, games, notebooks, coasters, and posters;		
downloadable virtual goods, namely, accessories in the field of beverages, supplements, and food;	No.	Yes.
downloadable virtual goods, namely, computer programs featuring beverages, food, supplements, bags, beverageware, coolers, clothing, headwear, footwear, gloves, tool kits, helmets, umbrellas, blankets, tents, towels, sporting equipment, timepieces, jewelry, toys, toy cars, games, notebooks, coasters, and posters;	Yes: these goods include downloadable virtual sports motorcycles, which are similar to motorcycles.	Yes.
downloadable virtual goods, namely, computer programs featuring accessories in the field of beverages, supplements, and food;	No.	Yes.
downloadable multimedia file containing artwork, text, audio, and video; downloadable multimedia file containing artwork, text, audio, and video relating to beverages, food, supplements, sports, and apparel authenticated by non-fungible tokens;	Yes: these goods include downloadable virtual sports motorcycles, which are similar to motorcycles.	Yes.

blockchain tokens; downloadable computer software for managing, displaying, monetizing, buying, selling, trading, transferring, clearing, confirming, and authenticating virtual goods, blockchain tokens, digital tokens, non-fungible tokens, digital media, digital files, and digital assets; downloadable computer software for use as a digital token wallet; cryptocurrency hardware wallets; downloadable software for enabling users to electronically create, store, send, receive, accept, exchange, and transmit digital assets; downloadable computer programs for data storage; downloadable computer programs for blockchain data storage; downloadable computer software for facilitating transactions with others; downloadable computer software for facilitating blockchain-based financial transactions; downloadable computer programs for data authentication;	No.	No.

Goods claimed in the Application	**Opposed for s.5(2)(a)**	**Opposed for s.5(3) / s.5(4)(a)**
downloadable computer programs for data authentication via blockchain; downloadable computer software featuring the purchase and sale of rights to digital goods; downloadable computer software for managing digital collectibles;		
downloadable digital files; software;	Yes: these goods include downloadable virtual sports motorcycles, which are similar to motorcycles.	Yes.
downloadable digital file sharing software; downloadable computer software and downloadable mobile application software for viewing images, videos, and content relating to beverages, food, supplements, sports, and apparel.	No.	No.

Class 35

Goods claimed in the Application	Opposed for s.5(2)(a)	Opposed for s.5(3) / s.5(4)(a)
Retail store and online retail store services connected with the sale of virtual goods, blockchain tokens, digital tokens, non-fungible tokens, digital media, digital files, and digital assets; retail store and online retail store services connected with the sale of virtual goods, blockchain tokens, digital tokens, non-fungible tokens, digital media, digital files, and digital assets in the field of beverages, food, supplements, sports, gaming, music, and apparel; retail store and online retail store services connected with the sale of virtual goods, namely, beverages, food, supplements, bags, beverageware, coolers, clothing, headwear, footwear, gloves, tool kits, helmets, umbrellas, blankets, tents, towels, sporting equipment, musical instruments and accessories, sound and audio equipment and accessories, timepieces, jewelry, toys, toy cars, video game equipment and accessories, games, notebooks, coasters, posters, accessories;	No.	Yes.
provision of an online marketplace for buyers and sellers of artwork, text, audio, and video relating to beverages, food, supplements, bags, beverageware, coolers, clothing, headwear, footwear, gloves, tool kits, helmets, umbrellas, blankets, tents, towels, sporting equipment, musical instruments and accessories, sound and audio equipment and	No.	No.

Goods claimed in the Application	Opposed for s.5(2)(a)	Opposed for s.5(3) / s.5(4)(a)
accessories, timepieces, jewelry, toys, toy cars, video game equipment and accessories, games, notebooks, coasters, posters, accessories authenticated by non-fungible tokens (NFTs); provision of an online marketplace for buyers and sellers of virtual goods, blockchain tokens, digital tokens, non-fungible tokens, digital media, digital files, and digital assets;		
advertising, marketing, and promotional services.	No.	No.

Class 41

Goods claimed in the Application	**Opposed for s.5(2)(a)**	**Opposed for s.5(3) / s.5(4)(a)**
Entertainment services; entertainment services, namely, providing virtual goods, blockchain tokens, digital tokens, non-fungible tokens, digital media, digital files, and digital assets all for use in a virtual world; Entertainment services, namely, providing on-line, non-downloadable virtual beverages, food, supplements, bags, beverageware, coolers, clothing, headwear, footwear, gloves, tool kits, helmets, umbrellas, blankets, tents, towels, sporting equipment, musical instruments and accessories, sound and audio equipment and accessories, timepieces, jewelry, toys, toy cars, video game equipment and accessories, games, notebooks, coasters, posters, accessories; entertainment services, namely, production, distribution, display, and storage of digital collectibles; entertainment services, namely, providing an on-line virtual environment for using, trading, and purchasing virtual goods, blockchain tokens, digital tokens, non-fungible tokens, digital media, digital files, and digital assets; providing online non-downloadable software for entertainment purposes; providing online non-downloadable software for entertainment purposes, namely, for shopping.	No.	Yes.

Class 42

Goods claimed in the Application	**Opposed for s.5(2)(a)**	**Opposed for s.5(3) / s.5(4)(a)**
Providing on-line non-downloadable software for managing, displaying, monetizing, buying, selling, trading, transferring, clearing,	No.	No.

Goods claimed in the Application	Opposed for s.5(2)(a)	Opposed for s.5(3) / s.5(4)(a)
confirming, and authenticating virtual goods, blockchain tokens, digital tokens, non- fungible tokens, digital media, digital files, and digital assets; providing temporary use of on-line non-downloadable computer software for use as a digital wallet; providing on-line non-downloadable computer software for enabling users to electronically create, store, send, receive, accept, exchange, and transmit digital assets based on the blockchain technology; platform as a service (PaaS) and software as a service (SaaS) featuring computer software platforms using blockchain and distributed ledger technology for authenticating and processing digital tokens.		