

O/0350/24

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO UK00003873045
BY MONSTER BREWING LLC
TO REGISTER**

PEACH PERFECT

**AS A TRADE MARK IN CLASSES 32 & 33
AND**

**AND IN THE MATTER OF OPPOSITION THERETO
UNDER NO 440340
BY THE LEMON PERFECT COMPANY**

BACKGROUND AND PLEADINGS

1. Monster Brewing LLC (“the applicant”) applied to register the trade mark shown on the cover page of this decision in the UK on 31 January 2023. The mark claims a priority date of 4 August 2022 on the basis of the applicant’s earlier registration from the United States of America, being that numbered ‘97/535519’. The application was accepted and published in the Trade Marks Journal on 10 February 2023 in respect of the following goods:

Class 33: *Flavored brewed malt beverage.*¹

2. On 20 April 2023, The Lemon Perfect Company (“the opponent”) filed a notice of opposition on the basis of section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opposition is directed at the applicant’s mark in its entirety. The opponent relies on the following trade mark:

LEMON PERFECT

UK Registration no. UK00003487499

Filing date 6 May 2020; date of entry in register 11 August 2020

Relying on the following goods:

(“the opponent’s mark”)

Class 32: *Lemon-flavoured drinking water; lemon-flavoured water beverages; non-alcoholic beverages; fruit drinks; fruit juices; syrups and other preparation for making beverages; fruit juice for use as an ingredient for food; non-alcoholic fruit extracts; non-alcoholic fruit concentrate; non-alcoholic fruit extracts used in the preparation of beverages; preparations for making fruit drinks; fruit flavoured beverages; non-alcoholic beverages containing fruit juices; non-alcoholic beverages containing fruit extracts; smoothies; non-alcoholic*

¹ The applicant filed a TM21B on 26 February 2024 to remove the term “*brewed sugar-based beer*” in class 32 from its specification for “reasons of procedural economy”. The removal of the terms were actioned on the same day. Accordingly, at the hearing Mr Hooper did not defend the goods removed via the TM21B. Mr McLeod was unable to confirm at the time on behalf of his client whether the TM21B overcame the opposition. However, Mr McLeod proceeded on the basis of the amended specification in relation to his submissions at the hearing.

beverages with tea flavour; low calorie fruit flavoured beverages; low calorie fruit juice drinks; low calorie tea flavoured beverages; soda; soft drinks; non-carbonated soft drinks; carbonated soft drinks; fruit flavoured soft drinks; fruit juice concentrate; concentrates for making fruit drinks; fruit juice mixes; fruit flavoured drinking water; isotonic beverage; other carbonated drinks (refreshing beverages); carbonated drink mixes; fruit and vegetable juice beverages; fruit and vegetable drinks; fruit and vegetable juice.

3. The opponent submits that there is a likelihood of confusion because the applicant's mark is similar to its own mark and the respective goods are identical. The applicant filed a defence and counterstatement denying the claims made.

4. Both parties filed evidence in chief. A hearing took place before me on 27 February 2024, by video conference. The opponent was represented by Mr Christopher James McLeod of Elkington and Fife LLP, who have represented the opponent throughout these proceedings. The applicant was represented by Mr Thomas Hooper of Bird & Bird LLP, who have represented the applicant throughout these proceedings.

5. The provisions of the act relied upon in these proceedings are assimilated law as they are derived from an 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.

EVIDENCE

6. The opponent filed evidence in the form of the witness statement of Mr Christopher James McLeod dated 3 August 2023 which is accompanied by 1 exhibit. Mr McLeod is a Chartered Trade Mark Attorney at the opponent's representing firm.

7. The applicant filed evidence in the form of the witness statement of Christine Danos dated 2 October 2023 which is accompanied by 1 exhibit. Ms Danos is a Chartered Trade Mark Attorney at the applicant's representing firm.

8. I do not intend to summarise the parties' evidence in full at this stage. However, I have taken them all into consideration in reaching my decision and will refer to them below, where necessary.

PRELIMINARY ISSUE

9. I note that the applicant submits that the 'Perfect' element found in both marks has a weak distinctive character and is laudatory.² This is on the basis that there are many 'PERFECT' marks are found on the register. The applicant has provided evidence resulting from a search carried out on Sageis which they submit looks at filed or registered trade mark registrations covering the UK where the marks contain the word 'Perfect' or a variation of the word in relation to goods in classes 32 and 33.³ For the reasons that I will now explain, these search results do little to assist the applicant.

10. I note that in the case of *Zero Industry Srl v OHIM*, Case T-400/06, the General Court ("GC") 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 –*

² The applicant has provided evidence in Exhibit CD1 from a search carried out on Sageis which looked at filed or registered trade mark registrations covering the UK where the marks contain the word 'Perfect' of a variation of the word in relation to goods in classes 32 and 33.

³³Exhibit CD1

Champagne Roederer (CRISTAL CASTELLBLANCH) [2005] ECR II 5309, paragraph 71).”

11. The fact that there are a multitude of trade marks that contain the word ‘Perfect’ with classes 32 and 33 protection does not provided much assistance in relation to the distinctiveness of the opponent’s mark. The applicant has filed no evidence to demonstrate that any of these marks are actually in use in the marketplace and this evidence does little, therefore, to assist the applicant; the assessment that I must undertake is based on the perception of the average consumer. The outcome of this opposition will be determined after making a global assessment whilst taking into account all relevant factors and the state of the register offers little to that assessment.

Section 5(2)(b): legislation and case law

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

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood or association with the earlier trade mark.”

13. Section 5A of the Act is as follows:

“5A 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 trade mark is applied for, the application is to be refused in relation to those goods and services only.”

14. Given its filing date, the opponent’s mark qualifies as an earlier trade mark pursuant to section 6 of the Trade Marks Act. The opponent’s mark did not complete

its registration process more than five years before the filing date of the applicant's mark. The condition of use, therefore, does not apply to the registration. Consequently, the opponent can rely on all the goods in its registration.

15. 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 impression 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 greater 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 to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

THE COMPARISON OF THE GOODS

16. The applicant's goods are listed at paragraph 1 above. The opponent's goods are listed at paragraph 2.

17. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union ("CJEU") in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

"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.”

18. Guidance on this issue has come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in particular, whether they are or are likely to be found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance, whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

19. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court (GC) stated that “complementary” means:

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

20. I note that the opponent submits that the applicant’s “*flavored malt beverages*” is similar to its class 32 goods to at least a medium degree. This is on the basis that the goods share the same nature, intended purpose, method of use and are

complementary. In addition, the opponent submits that the consumers would expect them to be manufactured, marketed, or provided by the same or economically linked undertakings and to have the same or similar distribution channels and sales outlets. At the hearing, I asked the opponent's representative to state what the best comparator was in the opponent's specification, of which he stated was "*non-alcoholic beverages*". Therefore, the goods comparison will be conducted accordingly.

21. In relation to "*flavored brewed malt beverage*" in the applicant's specification, I consider the goods to be similar to "*non-alcoholic beverages*" in the opponent's specification. As alluded to by the opponent's representative at the hearing, the WIPO explanatory guidance expressly states that class 32 goods do not include, in particular, alcoholic beverages, except beer in class 33. In addition, I note that the WIPO guidance expressly states that class 33 goods do not include de-alcoholised beverages in class 32. Despite this, I consider that there is a level of similarity between the goods at issue.

22. Regardless of the presence of alcoholic content or not, the parties' goods are beverages, and they overlap in that their purpose is to quench thirst and provide refreshment. However, I do recognise that alcoholic beverages are often consumed by the average consumer with the intention to become intoxicated. In addition, I consider that there will be an overlap in users as both parties' goods will be consumed by the general public, although I note that the class 33 goods will be limited to the average consumer being over 18. I also consider that there will be an overlap in trade channels as they will be sold in the same retail outlets or bars and restaurants. Further, I am of the view that non-alcoholic beverages such as non-alcoholic beers, for example, are stocked in the same aisles as alcoholic beverages. I note that the opponent filed evidence of internet searches for a range of terms, inclusive of "alcoholic brands entering non-alcoholic drinks sector".⁴ The opponent's representative stated that the purpose of this evidence was to demonstrate that there is a blurring of the market between alcoholic and non-alcoholic beverages. Of the news articles generated, the evidence indicates that the consumer interest in low and no alcohol products have been growing in pace in the past few years. Therefore, I

⁴ Exhibit CM1

consider that the average consumer will decide when selecting their goods whether they wish to have an alcoholic or non-alcoholic beverage. Therefore, I consider that the goods are not complementary but may be in competition. However, even without the evidence, I consider that the position would be the same, as these types of overlaps are common within the market sector. Taking all of the above into account, I consider that the goods are similar to a medium degree.

THE AVERAGE CONSUMER AND THE PURCHASING PROCESS

23. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. 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. (as he then was) 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.”

24. At the hearing, both parties agreed that the purchasing act would be visual and that the average consumer of the class 33 goods would be the general public, over the age of 18. The applicant's representative went on to submit that the average consumers for class 32 are *“going to be adult members of the public and minors”*.

25. At the hearing, both parties agreed that the average consumer of the class 33 goods will be adult members of the general public. I agree with both parties and consider the average consumer of the goods at issue will be a member of the general public over the age of 18. I also agree with the applicant's representative that the average consumer for the class 32 goods will be members of the general public, inclusive of minors.

26. Both parties also agreed that the purchasing process of the goods will be both visual and aural. For the member of the general public, the goods at issue are most likely to be sold through a range of retail outlets such as supermarkets and off licences, their online equivalents or specialist suppliers (such as the producer itself). Some of the goods will be sold in restaurants, bars and public houses. In retail outlets, the goods at issue will be displayed on shelves, where they will be viewed and self-selected by the consumer. A similar process will apply to websites, where the consumer will select the goods having viewed an image displayed on a webpage. In outlets such as restaurants, bars and public houses, the goods are likely to be on display, for example, behind the counter at bars or on drinks menus.

27. In respect of the role of the aural element, I note that the applicant's representative' submissions were that it is also important. While I do not discount there may be an aural component in the selection and ordering of the goods in eating and drinking establishments or after discussions with salespersons, this is likely to take place after a visual inspection of the goods, a menu or via a catalogue or online image. The selection of the goods at issue will, therefore, be primarily visual, although I recognise that aural considerations may play a part.

28. The applicant's representative submitted that the goods at issue will be purchased "fairly frequently, maybe daily" and are "generally low cost". In my view, the goods at issue are everyday beverage products but are likely to be purchased on a semi-regular basis. I agree with the applicant's representative that the cost of the goods at issue will likely be fairly inexpensive.

29. The applicant's representative went on to submit that they are not ordinary goods in the sense of milk and bread but are quite niche goods and the relevant public are dedicated followers. He submitted that consumers would consider factors such as taste, alcohol content and calorific content. I agree with these factors. Ultimately, The opponent's representative submitted that the degree of attention paid by the average consumer would be average and the applicant's representative submitted that the degree of attention was "slightly more than that" at "medium high". Whilst I note the factors raised by the applicant's representative of consideration by

the average consumer and the reference to the “niche” nature of the goods and the dedicated followers, I agree with The opponent’s representative that the degree of attention paid by the average consumer will be medium. I consider this to be the case even where the goods possess dedicated followers.

COMPARISON OF THE MARKS

30. 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.”

31. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

32. The respective marks are shown below:

Applicant’s mark	Opponent’s mark
PEACH PERFECT	LEMON PERFECT

33. In the hearing, the opponent's representative submitted that the marks were aurally, visually and conceptually similar to at least an average degree. This is on the basis that the marks share the element 'PERFECT', and the elements 'PEACH' and 'LEMON' will primarily be considered as indicators of flavour. Visually and Aurally, the applicant's representative agreed that the marks both share the word 'Perfect'. However, given the differences between the marks submitted that the similarity is low. Conceptually, the applicant's representative submitted that the marks have no similarity or a low degree of conceptual similarity.

34. The applicant submitted that 'PEACH' would be perceived as the essential element of the mark and that it distinguishes the marks. This is on the basis that there are many 'PERFECT' marks are found on the register and the word 'PERFECT' is laudatory of weak distinctive character.⁵ Whilst this submission is noted, I am required to consider the mark as a whole in relation to the overall impression. I consider that the applicant's mark consists of a word only mark 'PEACH PERFECT' which appears in upper case. The opponent's mark consists of the word mark 'LEMON PERFECT' which is also capitalised. In relation to both marks, there are no other elements that contribute to the overall impression of the marks, which lie in the complete phrases.

35. Visually, both parties recognise that the marks share the word 'PERFECT'. The initial word in the marks, being 'LEMON' and 'PEACH' respectively, are not present in the respective other parties' mark and constitutes points of visual difference. Taking the above and the parties submissions into account, I agree with the opponent's submissions and find the marks to be visually similar to a medium degree.

36. Aurally, I note that the applicant's representative submitted that the word 'Lemon' will be pronounced as two syllables and the word 'PEACH' will be pronounced as one syllable. I consider that both marks will be given their ordinary everyday pronunciations. The marks coincide in the pronunciation of the word Perfect at the end of the marks. The initial words 'LEMON' and 'PEACH' respectively are points of

⁵ As discussed in the preliminary issue, the applicant has provided evidence in Exhibit CD1 from a search carried out on Sageis which looked at filed or registered trade mark registrations covering the UK where the marks contain the word 'Perfect' or a variation of the word in relation to goods in classes 32 and 33.

difference. Taking the above into account, I agree with the opponent that the marks are aurally similar to a medium degree.

37. As mentioned above, conceptually the applicant's representative submitted that the marks have little or no conceptual similarity – this is on the basis that 'LEMON PERFECT' will mean the "PERFECT LEMON". It was submitted to be an oxymoronic term indicating something unsatisfactory and something perfect; Lemon will be interpreted as something that is unsatisfactory or defective and perfect representing the opposite. The applicant's representative drew my attention to the case of *Yango international*⁶ to support the view that if there is a real conceptual difference it can outweigh the aural and visual similarities.

38. I consider that the word 'PEACH PERFECT' and 'LEMON PERFECT' are ordinary dictionary words and will be given their ordinary meaning. Contrary to the applicant's representative's submissions, I consider that the average consumer will interpret 'LEMON' as reference to the fruit and I consider this also to be the case in relation to the term 'PEACH'. With 'LEMON PERFECT' providing the conceptual image of the perfect lemon and 'PEACH PERFECT' creating the image of the perfect peach. I consider that the marks will share the same conceptual hook, so far as the term 'PERFECT' applies in relation to different fruit. Consequently, I consider the marks to be conceptually similar to a high degree.

DISTINCTIVE CHARACTER OF EARLIER MARK

39. 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

⁶ O/420/18

undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C108/97 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).”

40. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it. The opponent makes no claim to enhanced distinctiveness through the use made of the earlier mark and neither has it filed any evidence to that effect. Therefore, I only have the inherent distinctiveness of the mark to consider.

41. The applicant submits that the 'PERFECT' element contained within the mark is found on the register and is laudatory and of weak distinctive character. I note that the applicant has provided evidence resulting from a search carried out on Sageis which they submit looks at filed or registered trade mark registrations covering the UK where the marks contain the word 'Perfect' or a variation of the word in relation to goods in classes 32 and 33.⁷ I note that the applicant has not provided evidence of how (if at all) these marks have been used in the marketplace. Therefore, this evidence does little to assist the applicant.

⁷⁷Exhibit CD1

42. The opponent's representative submitted that its mark had an average degree of distinctive character. The applicant's representative submitted that the 'PERFECT' element of the earlier mark was laudatory and weak in distinctive character. When asked specifically about the distinctiveness of the earlier mark as a whole, rather than just in relation to the 'PERFECT' element, the applicant's representative submitted that:

"We obviously say that PERFECT is the non-distinctive element and that LEMON -- well, it is a difficult one but I think you lie at average level of distinctiveness on the basis that our mark is registrable and we say different enough to the earlier mark. It is the overall mark that makes it registrable I would say. It is not PERFECT on its own for example so I think I somewhat agree with Mr. McLeod on the level of distinctiveness but that is not a surprise."

43. Given that the applicant has stated that they believe that the inherent distinctiveness of the earlier mark lies in an average level of distinctiveness and that they 'somewhat agree' with the opponent's representative (which would suggest that there is a level of difference in opinion with the opponent's representative) in a short space of time, the level of ambiguity is such that I am not prepared to outright accept that there is an agreement between both parties and move on. In my view, Lemon, is likely to describe an ingredient that is used in relation to the goods at issue. I agree that 'Perfect' is a laudatory word. When considered together, I consider that the distinctive character of the mark will be low to medium. This is on the basis that the combined it creates the view of a perfect lemon or specifically in relation to the goods, a perfect lemon drink.

LIKELIHOOD OF CONFUSION

44. 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. 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. The first 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 or vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, the average consumer of the goods and the nature of the purchasing process. In doing so, I must be mindful of 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 he has retained in his mind.

45. I have found the marks to be visually and aurally similar to a medium degree and conceptually similar to a high degree. I have found the degree of inherent distinctiveness of the earlier mark to be low to medium. I have found the average consumer to be a member of the general public (limited to the adult public in relation to the class 33 goods). I have found that the purchasing process will be visual, although I do not discount aural considerations. I have found that the degree of attention paid during the purchasing process for the goods will be medium. I have found the goods to be similar to a medium degree. I remind myself that a weak distinctive character of an earlier mark does not preclude a likelihood of confusion.⁸

46. Taking all the above into account, I consider that the differences between the marks will be noticed, even taking the principle of imperfect recollection into account. I am of the view that the average consumer will not misremember or mistakenly recall the marks for each other. This is particularly the case given that the beginning of the marks is where the average consumer tends to focus⁹ (being where the point of difference between the marks lies). I remind myself that similar ends of marks may also be capable of giving rise to a likelihood of confusion¹⁰, but consider that the presence of 'Lemon' and 'Peach' at the beginning of the marks respectively is sufficient to avoid the marks being misremembered or mistakenly recalled. These differences

⁸ *L'Oréal SA v OHIM*, Case C-235/05 P

⁹ *El Corte Ingles, SA v OHIM*, Cases T-183/02 and T-184/02

¹⁰ *Bristol Global Co Ltd v EUIPO*, T-194/14

will not be overlooked. Consequently, I do not consider that there is a likelihood of direct confusion.

47. Indirect confusion was described in the following terms by Iain Purvis K.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

“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 or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(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).”

48. I note that the applicant submits that there is no risk of indirect confusion and the current marks do not fall into any of the examples from *L.A. Sugar* (referenced above); as an aside, the categories presented by Mr Purvis are not exhaustive. Further, I note the case of *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors*,¹¹ wherein Arnold LJ referred to the comments of James Mellor QC sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he stated that a finding of a likelihood of indirect confusion is not a consolidation prize and that there needs to be a reasonably special set of circumstances in order to get indirect confusion where there is no likelihood of direct confusion. Arnold LJ agreed, pointing out that there must be a “proper basis” for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

49. At the hearing, the applicant's representative drew my attention to Appointed Person decision O/601/19 (MISSDOPE). He submitted that this decision emphasised the need for the common part of the marks to be inherently strikingly distinctive to make a finding of indirect confusion and submitted that it is the duty of the Tribunal to ensure that indirect confusion is not too broadly applied. In his skeleton arguments, he expressly drew my attention to paragraph 37 in the decision – I have considered this decision and bear it in mind. I note that the Appointed Person did not find that the common element was strikingly distinctive in this case, rather she perceived it to be the *‘more distinctive part of that name’* but still found that there was a likelihood of confusion. Specifically, the Appointed Person states *“Nevertheless, in my judgment, DOPE would be perceived as the more distinctive part of that name, because the average consumer would see the addition of MISS to DOPE as adding a non-distinctive title to an averagely distinctive brand name.”* Further, she is not expressly saying that the common element is a requirement but recognises that the examples set out by Mr Purvis are not the only circumstances in which a finding of indirect

¹¹ [2021] EWCA Civ 1207

confusion can be found and that a global appreciation needs to be undertaken by the Tribunal. She states that:

“30. Furthermore, I would add that as it is not a statutory test, the examples given by Mr Purvis QC in L A Sugar should not be taken as identifying the only circumstances in which indirect confusion may be found likely to arise, or, indeed, as dictating a finding of indirect confusion in any particular circumstances. All of these cases turn upon their specific facts, and Mr Purvis QC’s reasoning in L A Sugar cannot displace the need for the tribunal to undertake a global appreciation of whether the average consumer is liable to make a connection between the marks and assume that the goods in question are from the same or economically linked undertakings, in the manner described by Mr Mellor QC in Duebros .”

50. Therefore, in assessing the likelihood of indirect confusion I will be taking a global appreciation and note that (as mentioned above) the examples set out by Mr Purvis are not exhaustive. In addition, at the hearing, the applicant’s representative argued that there is no risk of indirect confusion and drew my attention to *Duebros Ltd v Heierler Cenovis*, where Mr James Mellor QC stressed that a finding of indirect confusion should not be made merely because the two marks share the same common element. He further stressed that this is mere association and not indirect confusion. I have taken this case into consideration and am not of the view that it applies in the current situation. I consider that the opponent’s mark could be seen as a logical brand extension of the applicant’s mark. This view is not held merely because the two marks share the same common element. When the differences between the marks are taken into account, I do not consider that the presence of the words ‘LEMON’ and ‘PEACH’, respectively, at the beginning of the parties’ marks will be sufficient enough for the average consumer to consider that the applicant’s mark originates from a different or unconnected undertaking to that of the opponent.

51. As discussed above, I consider that the marks are conceptually similar to a high degree on the basis the marks will share the same conceptual hook; ‘LEMON PERFECT’ provides the conceptual image of the perfect lemon (or perfect lemon drink in relation to the goods) and ‘PEACH PERFECT’ creates the image of the perfect

peach (perfect peach drink in relation to the goods). I consider that the average consumer is likely to believe that, when confronted with both marks, the presence of 'PEACH' in the applicant's mark would be a logical step for an undertaking to take where it was looking to extend the opponent's reach of its goods into different flavour profiles. I have found the opponent's use of the word 'Lemon Perfect' is distinctive to a low to medium degree. Whilst that may be the case, I remind myself that a finding of a mark having a weak distinctive character does not preclude a likelihood of confusion. I consider that the high conceptual similarity between the marks overcomes the lower degree of inherent distinctive character. I am of the view that when the average consumer is confronted with the identical 'Perfect' element and the combination of that element with a fruit, 'Peach'/'Lemon' respectively, which appears at the beginning of the marks and in relation to similar goods, this will lead the average consumer to think that the marks came from the same or related undertakings. The difference in beginnings, will then, consequently, be put down to some form of brand variation, specifically in relation to flavour profiles. Consequently, I consider that there is a likelihood of indirect confusion between the marks for all of the goods I have found to be similar.

CONCLUSION

52. The opposition succeeds. The application is refused.

COSTS

53. At the end of the Hearing, the opponent's representative enquired about off scale costs. I gave both parties an opportunity following the hearing to make their submissions on this. As evidence of unreasonable behaviour, the opponent's representative pointed towards the fact that the applicant's representative did not mention the proposed deletion of class 32 from the application until they filed the skeleton arguments, the day before the hearing— by which time the opponent had already prepared and filed the skeleton arguments which were directed at both classes 32 and 33. The opponent's representative submitted that the last minute deletion meant that he had to spend additional time revising the submissions that were to be made at the hearing. The opponent's representative submits that intentionally or

otherwise, the applicant's conduct constituted behaviour which unreasonably increased the costs and burden on the opponent. The opponent has requested the additional reward of £1000 for the two hours work required following the last-minute deletion of class 32 from the application.

54. In response, the applicant's representative submitted that the opponent should not be awarded off scale costs because the applicant's behaviour was neither unreasonable, nor would have caused additional work for the opponent. He submitted that the deletion of class 32 was actioned upon the receipt of instruction and was not intended to cause any disruption or additional work for the opponent. In contrast to the opponent, the applicant's representative submitted that the deletion of the class 32 would have reduced the amount of preparatory time required by the opponent. Further, it is submitted that given the skeleton argument of the opponent was very brief and no reference was made to the goods comparison within it, there was less for the opponent to do in order to prepare for the hearing. The applicant's representative recognised that off-scale costs are at the Hearing Officer's discretion and drew my attention to decision O/0077/23 where a Hearing Officer awarded off scale costs as evidence was withdrawn before the hearing. He distinguished the aforementioned decision with the current proceedings, as the deletion was in relation to a single term within class 32. The request for £1000 is also disputed by the applicant's representative on the basis that it is not itemised. Finally, the applicant's representative expressed concern from a judicial economy and policy perspective in granting off-scale costs in the current circumstances.

55. As set out in section 68 of the Act and 67 of the Trade Mark Rules 2008, the registrar is empowered to award any such costs that is considered to be reasonable and dictate how and when the parties are paid. Further, insofar as it is relevant, 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*".

56. I have carefully considered both parties' comments, correspondence and submissions. Whilst I recognise that this change was made last minute and would have caused the opponent's representative to reassess his preparations for the hearing, I consider that all elements of discussion would have remained the same other than the goods comparison. In relation to the goods comparison, the requirement would have involved the removal of the class 32 discussion and would not have broadened the scope of discussion or consideration. I recognise that the change to the specification was poorly timed. However, I do not consider that there was an intention by the applicant to "*delay, frustrate or unreasonably increase the costs/burden on the other party*"; the applicant confirms that this was not their intention either. Further, as correctly stated by the applicant's representative, the opponent's representation has not provided an itemised bill of the costs incurred. Rather the opponent's representative has requested costs to the value of £1000 to compensate for the additional 2 hours spent amending their submissions for the hearing. Although I acknowledge that the opponent is rightly entitled to an award of costs, I do not find merit in any allegations to justify off scale costs. The applicant's behaviour has not been unreasonable to warrant anything other than on-scale costs for the opponent.

57. In light of the above, the opponent is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 1/2023.¹² In the circumstances, I award the opponent the sum of £2200 as a contribution towards the costs of the proceedings. I have made the costs award factoring in that the opponent filed two oppositions. The sum is calculated as follows:

Preparing a notice of opposition and considering the counterstatement	£300
Preparing evidence and considering the applicant's evidence	£600
Preparing for and attending a hearing	£900
Official fees	£100
Total	£1900

58. I therefore order Monster Brewing LLC Ltd to pay The Lemon Perfect Company the sum of £1900. This sum is to be paid within 21 days of the expiry of the appeal

¹² TPN 1/2023 applies to proceedings commenced on or after 1 February 2023.

period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 16th day of April 2024

A KLASS

For the Registrar

For the Comptroller-General