O/0884/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003898439
BY SHANDONG FOKUN INVESTMENT CO., LTD TO REGISTER:

SeaBull

AS A TRADE MARK IN CLASS 32

AND

IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 442087 BY
RED BULL GMBH

BACKGROUND AND PLEADINGS

1. On 7 April 2023, Shandong Fokun Investment Co., Ltd ("the applicant") applied to register the trade mark shown on the cover of this decision ("the applicant's mark") in the UK for the following goods:

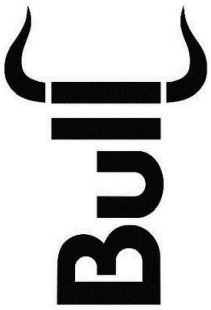
   Class 32: Non-alcoholic beverages; sports drinks; soy beverage; whey beverages; non-alcoholic energy drinks; sports drinks containing electrolytes; non-alcoholic beverages flavoured with coffee; fruit juices; fruit nectars, non-alcoholic; mineral water [beverages].

2. The applicant's mark enjoys an earlier priority date of 10 November 2022, deriving from its earlier Chinese trade mark. The applicant's mark was published for opposition purposes on 21 April 2023 and, on 21 July 2023, it was opposed by Red Bull GmbH ("the opponent"). The opposition is based upon sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ("the Act"). In respect of the section 5(2)(b) ground, the opponent relies on the following marks:

   RED BULL
   UK registration no. 2012126
   Filing date 24 February 1995; registration date 27 February 1998
   Relying on some goods, namely:

   Class 32: Non-alcoholic beverages.[1]
   ("the opponent's first mark");

[1] It is noted that the actual wording of the term in the specification is "mineral and aerated waters and other non-alcoholic beverages". Clearly, this term covers all types of non-alcoholic beverages and, therefore, it is permissible for the opponent to limit its term in this way.



UK registration no. 801524386
Filing date 13 January 2020; registration date 1 September 2020
Relying on some goods, namely:

Class 32: Non-alcoholic beverages; energy drinks.
("the opponent's second mark"); and

BULL
UK registration no. 900782383
Filing date 16 March 1998; registration date 26 July 2001
Relying on some goods, namely:

Class 32: Non-alcoholic drinks; energy and sports drinks; isotonic drinks.
("the opponent's third mark").

3. The opponent's second and third marks are comparable marks based upon an earlier EUTM and International Registration designating the EU ("IR"), respectively. On 1 January 2021, in accordance with Article 54 of the Withdrawal Agreement between the UK and the European Union, the UK IPO created comparable UK trade marks for all right holders with existing EUTMs and IRs designating the EU. These comparable marks enjoy the same filing and registration dates as their European counterparts.

4. Under the section 5(2)(b) ground, the opponent claims that the marks at issue are similar and that the goods at issue are identical or similar. Further, the opponent

argues that its marks are inherently distinctive and/or have an enhanced degree of distinctiveness as a consequence of the use made of them. In light of all of this, the opponent claims that there exists a strong likelihood of confusion, including a likelihood of association.

5. Under the section 5(3) ground, the opponent relies only upon its first mark. It has, however, limited the goods for which it claims a reputation for to just "energy drinks".[2] As a result of its use of the mark, the opponent claims that it is known by a substantial proportion of the relevant public in the United Kingdom. The opponent claims that the marks at issue would be linked and, as a result, use of the applicant's mark would, without due cause, give rise to an unfair advantage in favour of the applicant. Further, the opponent claims that use of the applicant's mark would be detrimental to the distinctive character and/or reputation of the opponent's mark.

6. The applicant filed a counterstatement denying the claims made and requesting that it provide proof of use in respect of the goods relied upon under the opponent's first and third marks.

7. The applicant is represented by Abion UK Limited (formerly Lane IP) and the opponent is represented by Ionic Legal.[3] Only the opponent filed evidence and, in doing so, also filed written submissions. No hearing was requested and neither party elected to file written submissions in lieu. This decision is taken after careful consideration of the papers.

8. 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

[2] This is categorised in the notice of opposition as "non-alcoholic beverages, namely energy drinks". As an energy drink is clearly a sub-category of non-alcoholic beverages, this limitation is permissible.
[3] I note that the change of legal representative to Ionic Legal was made on 8 July 2024. Throughout the majority of these proceedings, the opponent was represented by Foot Anstey LLP.

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

9. The opponent's evidence came in the form of the witness statement of Mr Jorge Jacobo Casals Ide dated 14 November 2023. Mr Ide is the Regional Counsel Europe of the opponent, being a position he has held since June 2008. His statement is accompanied by 10 exhibits, being those labelled JC1 to JC10, and has been adduced to prove the opponent's use of its marks and the existence of a reputation in its first mark.

10. I do not intend to summarise the evidence filed by the opponent or the counterstatement of the applicant in full here. However, I confirm that I have taken all filed documents into account and will summarise them to the extent that I deem necessary below.

DECISION

Proof of use

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

> "(6)(1) In this Act an "earlier trade mark" means –
>
> (a) a registered trade mark or international trade mark (UK) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(aa) a comparable trade mark (EU) or a trade mark registered pursuant to an application made under paragraph 25 of Schedule 2A which has a valid claim to seniority of an earlier registered trade mark or protected international trade mark (UK) even where the earlier trade mark has been surrendered or its registration has expired;

(ab) a comparable trade mark (IR) or a trade mark registered pursuant to an application made under paragraph 28, 29 or 33 of Schedule 2B which has a valid claim to seniority of an earlier registered trade mark or protected international trade mark (UK) even where the earlier trade mark has been surrendered or its registration has expired.

[…]

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

12. Section 6A is also relevant. It reads:

"(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."

13. Section 100 of the Act is also relevant. It reads:

"100. 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."

14. As the opponent's third mark is a comparable mark, paragraph 7 of Part 1, Schedule 2A of the Act is also relevant. 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

(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".

15. The opponent's marks qualify as earlier trade marks under the above provisions because they were all applied for prior to the priority date of the applicant's mark. The opponent's first and third completed their registration processes over five years prior to the priority date of the applicant's mark. As set out above, the applicant requested that the opponent provide proof of use in respect of those marks. Therefore, the opponent's first and third marks are subject to the use provisions. The opponent's second mark, however, did not complete its registration process more than five years prior to the priority date of the applicant's so it is not subject to the use provision meaning that the opponent can rely on all of the goods for that mark that it highlighted in its notice of opposition.

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

"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 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]."

17. As per section 6A of the Act (cited above), the relevant period for the present assessment is the five-year period prior to the priority date of the applicant's mark, being 10 November 2022. The relevant period is, therefore, 11 November 2017 to 10 November 2022 ("the relevant period").

18. Proven use of a mark which fails to establish that "the commercial exploitation of the mark is real"[4] because the use would not be "viewed as warranted in the economic sector concerned to maintain or create a share in the mark for the goods or services protected by the mark" is, therefore, not genuine use.

Form of the mark

19. Before proceeding to consider the evidence of actual use, there are a few points I wish to discuss briefly under the form of the mark issue. The evidence shows a wide range of use in relation to 'RED BULL' and variants of the same. I note that the most prominent variant is as follows:

20. Firstly, word only marks are protected for any standard typeface and in any colour. While slightly stylised, the typeface used above is in line with fair use of the

[4] *Jumpman* BL O/222/16

opponent's first mark, so too is the opponent's use of colour. As for the device element, I remind myself that as per *Colloseum Holdings AG v Levi Strauss & Co.,* Case C-12/12, a proprietor may use its mark as part of composite mark or in conjunction with another mark so long as its mark continues to be perceived as indicator of the origin of the goods or services at issue. In the present case, 'RED BULL' will clearly be perceived as the indicator of origin for the goods and the opponent's use of its first mark in this way is use of the mark as registered.

21. In addition, I note that the opponent has also used its first mark in the following way:

[5]

22. Following the principles set out in the case of *Colloseum* (cited above), I am of the view that 'RED BULL' is used above as part of a composite mark. In the above example of use, I consider that 'Red Bull', despite the presence of 'ORGANICS' and the figurative elements, is still capable of being perceived as the indicator of origin for the goods upon which this example is used (especially given that the mark indicates that the 'ORGANICS' brand is 'by Red Bull'). Therefore, I consider the above use as use of the opponent's first mark as registered.

23. Turning to the opponent's third mark, I remind myself that this is a word only mark consisting solely of 'BULL'. The opponent argues that use of its 'BULL' device mark (being its second mark) and its 'RED BULL' marks is sufficient to prove use of its third mark. I have no issue with this submission insofar as it relates to the 'BULL' device mark. Clearly, the vertical alignment of the word and its presentation in a figurative way with horn devices emanating from the letter 'L' at the top does not

[5] I have taken this example from marketing materials as it represents the clearest example of such use. I note that throughout the evidence, images of products under this range of goods show the same mark.

alter the distinctive character of that mark.[6] That being said, I am, not convinced that the use of 'RED BULL' is an acceptable variant of 'BULL'. My reasons follow.

24. As explained above, the case of *Colloseum* sets out that use of a mark may be permissible if it is used as a part of a composite marks or in conjunction with another mark so long as the mark may continue to be perceived as an indicator of origin. In the present case, the indicator of origin for the opponent's third mark is, clearly, the word 'BULL'. When viewed as 'RED BULL', I consider that the indicator of origin shifts to 'RED BULL' as a whole. As a result, 'BULL' is no longer capable of being perceived as an indicator of origin for that mark meaning that use of 'RED BULL' is not use of the opponent's third mark as registered. In addition, the distinctive character of the opponent's third mark lies in the word 'BULL' itself. However, when used as 'RED BULL', the distinctive character of the mark alters to the point that the mark takes on a unitary meaning with the word 'RED' qualifying the word 'BULL'. As a result, I do not consider that use of the 'RED BULL' marks are acceptable variants of the opponent's third mark in accordance with the case law. That being said, there is still use of an acceptable variant of the opponent's third mark in the form of the 'BULL' device mark (again, this is the opponent's second mark) so the reliance upon the same may proceed.

Evidence of use

25. Given my findings in respect of the form of the mark, I consider it appropriate to conduct my assessment of the opponent's evidence of use in respect of the two marks separately. The reasons for doing so will become apparent throughout the course of this assessment.

[6] As per the case of *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22, use of a mark that does not alter the distinctive character of a mark as registered is to be deemed an acceptable variant of the same.

The opponent's first mark

26. In considering the issue of use, I am of the view that I can deal with use of the opponent's first mark in respect of energy drinks briefly. I say this because the opponent has provided the following figures for unit sales of energy drinks featuring the 'RED BULL' mark during the relevant period. They are as follows:[7]

Unit Sales	**Great Britain**
2015:	360,264,115
2016:	380,002,094
2017:	427,615,391
2018:	461,712,042
2019:	502,576,268
2020:	511,705,366
2021:	610,168,616
2022:	734,482,253
Total:	**3,988,526,145**

27. While the relevant period for the present assessment covers just 2017 to 2022, I have included all years provided as the earlier years will be relevant to any assessment of enhanced distinctive character and reputation. For the present assessment, the relevant number of total sales stands at 2,820,644,545.[8]

28. Market share evidence is also provided that sets out that the market share of the Red Bull brand. In the UK, the opponent enjoyed a 33.5% of the market share for

[7] I note that the table provided includes global figures and EU figures. While use in the EU may be relevant for the opponent's third mark, this is not relevant here because, as above, the opponent's first mark is not capable of point to use of its third mark. Therefore, the only use I need to consider for the 'RED BULL' brand is that of the UK.

[8] I appreciate that the relevant period runs from November 2017 meaning that the majority of sales from that year will not be relevant here. Further, some of the sales from 2022 will come after the relevant period as it ends in November of that year. In addition, the EU use is only relevant up to IP Completion Day so those are not included in this calculation either. I have no way to accurately determine the relevant figures but, on balance, to give the fairest reflection of relevant figures, I have omitted the 2017 figures (for both the EU and the UK) but included the 2022 figures (for the UK only).

energy drinks in 2018, 32.5% in 2019, 33.3% in 2020, 34.3% in 2021 and 35.2% in 2022.

29. The opponent has also provided a breakdown as to its media expenses between 2015 and 2022. The figures are as follows:

Media Expenses	**Great Britain (€)**
2015:	15,979,000
2016:	15,166,000
2017:	14,264,000
2018:	14,501,000
2019:	15,122,000
2020:	13,900,000
2021:	16,556,000
2022:	17,586,000
Total:	**123,074,000**

30. Adopting a same calculation as I did for the unit sales figures above, the figures relevant to the present assessment cover a spend of €77,665,000. The narrative evidence accompanying the figures sets out that it relates to commercials featured on TV, cinema and radio. In support of such evidence, around 90 videos of commercials have been provided and the evidence confirms that these ran during the relevant periods on UK television channels such as Sky, Discovery and Channel 4.[9] I have no intention of discussing the commercials in any great detail but note that screen grabs showing the use of the Red Bull brand in some of the featured commercials have also been provided in the body of the narrative evidence.

[9] JC5

31. In addition to the above, evidence of marketing spend has been provided in relation to the costs associated with sales folders, consumer information leaflets, retail displays, crowners, flyers, packaging materials, sampling cars, uniforms and tents, amongst others. The figures are as follows:

Marketing Expenses	**Great Britain (€)**
2015:	67,862,000
2016:	62,060,000
2017:	58,659,000
2018:	34,425,000
2019:	35,771,000
2020:	31,670,000
2021:	38,198,000
2022:	44,831,000
Total:	**373,476,000**

32. Again, adopting the same approach with the figures as I have above, this relates to a relevant spend for the genuine use assessment of €184,895,000. A number of examples of the opponent's marketing are provided in the evidence.[10] I do not intend to discuss these in full but note that they cover use of the 'RED BULL' branding between 2016 to 2021 and are confirmed as being distributed across the UK to retailers such as Tesco, ASDA, BP and Morrisons, amongst others.

33. There is additional evidence provided in relation to the opponent's business operation at large. However, the above evidence clearly demonstrates an enormous level of use in the UK during the entirety of the relevant period. As such, I have no hesitation in finding that the opponent has genuinely used its first mark in relation to energy drinks.

[10] JC6

34. The above being said, the opponent relies on the broader term of "non-alcoholic beverages", not just energy drinks. I am not convinced the use of energy drinks alone would give rise to a finding that the opponent should be entitled to rely on the broader term.[11] However, I note that the opponent has filed evidence attempting to demonstrate use of a wider range of beverage goods and I will proceed to assess that now.

35. The evidence in support of this point is covered by the evidence of the opponent's 'ORGANICS by Red Bull' brand. As above, this is use of the mark as registered so is relevant here. The evidence sets out that the opponent began selling goods under this brand in the UK in 2008 and provided supporting documents showing the shipment dates for such goods.[12] The evidence confirms that the mark used on this brand has always been that in line with the example of use I have reproduced at paragraph 21 above.

36. The narrative evidence goes on to explain that this range of goods covers soft drinks and mixers with ingredients from 100% natural sources. The range includes goods such as tonic water, cola, ginger ale and flavours of orange, 'mate' and berry. The evidence confirms that all of these goods were available during the relevant period.

37. Between 2017 and 2022, the opponent sold the following amounts of these goods:

Unit Sales	**Great Britain**
2017:	0
2018:	428,748
2019:	122,232
2020:	51,024

[11] See the case of *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch) for the principles in respect of a fair specification.
[12] JC1

2021:	5,376
2022:	0
Total:	**607,380**

38. All of the figures shown are relevant to the issue of genuine use on the basis that the years on the cusp of the relevant period show zero sales.

39. Between 2017 and 2022, the opponent has spent €237,377,000 marketing this brand. There is no breakdown of whether this spend covers the EU or the UK. On balance, I consider it to be an EU-wide spend meaning that it is likely that only a small proportion of these figures relate to the UK. Saying that, the UK spend is still likely to comprise of an amount in the millions of euros. Examples of advertising and promotional materials in respect of this brand are provided in evidence.[13] This evidence includes the branding shown on a range of promotional 'Red Bull' cars and 'wooden materials boxes'.[14] I note that the cars shown the branding in relation to both 'Simply Cola' and 'Ginger Ale' products. In addition, images of shelf displays, crowner displays and posters from 2019 are provided.[15] All of these show the mark reproduced at paragraph 21 above on goods such as cola, bitter lemon, ginger ale and tonic water.

40. Lastly, the evidence on this point shows these goods in two articles taken from 'Scottish Grocer' in both April and July 2019.[16] An additional article is provided from the UK Grocer from March 2020 which discusses the opponent's 'ORGANICS by Red Bull' brand.[17]

41. Clearly, the opponent's use of this brand is nowhere near as significant as the use associated with its energy drinks. That being said, I remind myself that use need

[13] JC2b
[14] See pages 57 to 66 of JC2b
[15] See pages 67 to 75 of JC2b
[16] See pages 54 and 55 of JC2b
[17] See page 56 of JC2b

not be quantitively significant in order for it to be deemed genuine. While the sales figures are low in comparison to the other figures provided, I am satisfied that they, together with the advertising spend and examples of the same, demonstrate that the opponent has genuinely used its mark in relation to other non-alcoholic beverages such as tonic water, cola, ginger ale and bitter lemon.

42. In my view, when the consumer is confronted with the use of the opponent as a whole (including its energy drinks), I am satisfied that they will categorise it as covering non-alcoholic beverages at large. As a result, I consider that the opponent can proceed to rely on its first mark in respect of all goods relied upon.

The opponent's third mark

43. The evidence in respect of this mark is limited. It covers just one product, being an energy drink, that is referred to as an exclusive drink that is distributed and sold in convenience stores in the UK including, but not limited to, Cash & Carry and Bestway Abbey Road stores. These are located at various places around the UK. The evidence sets out that this product was launched in the EU in 2013 and in the UK in 2016. The opponent provided a number of invoices to retailers in the UK from 2016.[18]

44. A document that is referred to as a presentation document for the 'Bull' drink is provided.[19] The document itself is undated but includes a number of documents and receipts from 2016. I do not intend to go over the document in its entirety as it is approximately 30 pages in length, however, I note that it shows the product packaging, the product situated in stores available for sale to consumers, sales reports from Londis in 2016, posters advertising the drink and customer receipts, amongst other things.

[18] JC3
[19] JC4

45. Despite being a product that is only available at selected venues, the opponent confirms that sales of the product were over 11,000 in 2016 and just over 10,000 in 2020. It seems to me that it is reasonable to infer that the level of use for 2017 to 2019 would have been somewhere in line with 10,000 sales per annum. While this represents a very low level of use, I remind myself again that use need not to be quantitively significant in order for it to be genuine. Clearly, the opponent, during the relevant period, made an attempt to create or preserve a market share for an exclusively available product. On this point, such exclusivity is likely to inevitably lead to a lower sales volume but that does not mean that it cannot be genuine. As a result, I am of the view that the opponent is entitled to rely on its third mark. That being said, the only product shown is an energy drink and, therefore, I consider it appropriate to limit the opponent's reliance upon this mark to just "energy drinks".

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

46. 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."

47. Section 5A of the Act states as follows:

"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."

48. 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 Office for Harmonization in the Internal Market (Trade Marks and Designs) ("OHIM")*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other

components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

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

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

Comparison of goods

49. The parties' goods are as follows:

The opponent's goods	The applicant's goods
The opponent's first mark <u>Class 32</u> Non-alcoholic beverages. *The opponent's second mark* <u>Class 32</u> Non-alcoholic beverages; energy drinks. *The opponent's third mark* <u>Class 32</u> Energy drinks.	<u>Class 32</u> Non-alcoholic beverages; sports drinks; soy beverage; whey beverages; non-alcoholic energy drinks; sports drinks containing electrolytes; non-alcoholic beverages flavoured with coffee; fruit juices; fruit nectars, non-alcoholic; mineral water [beverages].

50. When making the comparison, all relevant factors relating to the goods and services 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:

> "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".

51. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(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.

52. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court stated that:

> "29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark."

The opponent's first and second marks

53. All of the applicant's goods are different types of non-alcoholic beverages. They can all, therefore, be said to fall with the opponent's term of "non-alcoholic

beverages", which appears in its first and second marks' specifications. The goods in these marks are, therefore, identical under the principle outlined in *Meric*.

The opponent's third mark

54. As for the opponent's third mark, it is permitted to proceed in reliance upon "energy drinks" only. This is a term that can be said to fall within some (but not all) of the terms of the applicant. Those terms are "non-alcoholic beverages", "sports drinks", "non-alcoholic energy drinks" and "sports drinks containing electrolytes". The goods of the applicant either expressly cover energy drinks or are sufficiently broad so as to the cover them. As a result, I find that these goods are identical under the principle outlined in *Meric*.

55. "Soy beverage", "whey beverages", "non-alcoholic beverages flavoured with coffee", "fruit juices", "fruit nectars, non-alcoholic" and "mineral water [beverages]" in the applicant's specification are not those that can reasonably be said to cover energy drinks. That being said, I consider that there is a degree of similarity between them. The nature and method of use of these goods may overlap to some degree in that they are all non-alcoholic drinks that are consumed in the ordinary way. As for the purpose of the goods, I appreciate that the primary purpose of the opponent's goods is to give the user energy. However, this does not mean that users will not look to consume energy drinks because they enjoy their taste or to quench their thirst. This is the primary purpose of the applicant's goods and, as such, I am of the view that there is some degree of overlap in purpose. The user of the goods is likely to be the same and while the primary purpose of the drinks may differ, a consumer looking to consume a drink to enjoy its taste may, for example, choose a fruit juice over an energy drink, or vice versa. Lastly, I have nothing to suggest that it is common in the trade for producers of fruit juices or water, for example, to also produce energy drinks. That being said, I am of the view that the goods are likely to be found within close proximity of each other in stores, be that on the same shelves or aisles or in the same sections of online stores. As

a result, there is some degree of overlap in respect of the goods' distribution channels. Taking all of this into account and bearing in mind the limited levels of overlap, I consider these goods to be similar to no more than a medium degree.

The average consumer and the nature of the purchasing act

56. As the case law set out above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then decide the manner in which these goods are likely to be selected by the average consumer in the course of trade. 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."

57. The goods at issue are those that will be selected by members of the general public at large. The goods at issue will be available via general retailers and their online equivalents or via food/drink establishments such as cafes, restaurants and bars. In stores, the goods will be displayed on shelves where they will be self-selected by the consumer. A similar approach will apply to goods selected online as the consumer will select them after having seen an image of them on a website. In food/drink establishments, the goods are likely to be selected aurally but this will take place after a visual inspection of the goods either in display cabinets, on

menus or lists displayed behind a counter.[20] In my view, the selection process for the goods at issue will be primarily visual but I do not discount an aural component playing a role.

58. The opponent submits that the selection process for the goods at issue will involve a low degree of attention because the goods are of a relatively low value. While I agree that the goods will be available at a low cost and, further, are those that will be selected on a frequent basis, I disagree that the level of attention paid will be low. I say this because regardless of price, the goods are those that will be consumed by the user. As such, the consumer is likely to still give due consideration to factors such as flavour, ingredients used and nutritional information. As a result, I am of the view that the goods will be selected after having paid a medium degree of attention.

Comparison of the marks

59. It is clear from *Sabel v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components.

60. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

[20] I note that I have submissions from the opponent on this point that argues that the goods are commonly ordered in nightclubs and bars (being noisy environments) solely by reference to their name and often without the product being visually available. I appreciate that this may happen occasionally but, as far as I am aware (and I have nothing to suggest otherwise), even in loud bars and clubs the goods will still be displayed in fridges behind a bar or written on large placards that also sit behind the bar. On this point, I have nothing categorically before me to suggest that the situation suggested by the opponent is common in the trade.

"… 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."

61. 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.

62. The respective trade marks are shown below:

The opponent's marks	The applicant's mark
RED BULL ("the opponent's first mark")  ("the opponent's second mark") BULL ("the opponent's third mark")	SeaBull

63. I have submissions from the opponent in respect of the similarity of the marks. Further, the counterstatement of the applicant contains comments as to the

similarity of the marks also. I confirm that I have taken these into account and while I will not reproduce them in full here, I will discuss them further below if necessary.

Overall Impression

64. The applicant's mark is a figurative mark that consists of the word 'SeaBull' in a standard black typeface. While presented as one word, I consider that consumers will readily identify it as two conjoined words, being 'Sea' and 'Bull'. I do not consider that either word plays a stronger role than the other, meaning that I find the overall impression of the mark to lie in the words equally.

65. The opponent's first mark is word only mark consisting of the words 'RED BULL'. These words form a unitary meaning and, therefore, each word contributes equally to the overall impression of the mark. The opponent's second mark is a figurative mark that consists of a word and a device element. The word is 'Bull' presented in a fairly standard typeface but in a vertical alignment, with 'B' at the bottom. The device element is bull horns emanating from the letter 'l' at the top of the mark. Given that consumers are drawn to the parts of marks that can be read, I find that 'Bull' plays the greater role in the overall impression of the mark with the device element and presentational elements playing a lesser role. Lastly, the opponent's third mark is a word only mark consisting solely of the word 'BULL'. There are no other elements that contribute to the overall impression of this mark, which lies in the word itself.

Visual Comparison

66. When comparing the applicant's mark to the opponent's first mark, it is noted that they share use of the word 'BULL'. Both marks consist of a different first word, being 'Sea' in the applicant's and 'RED' in the opponent's. The typeface used in the applicant's mark is standard and, therefore, the opponent's first mark (being a word only mark) can be used in the exact same typeface. Taking into account the

role that the identical word plays in both marks, I am of the view that the marks are visually similar to a medium degree.

67. Turning to the comparison with the opponent's second mark, I note that both marks share the word 'Bull'. The word 'Sea' in the applicant's mark has no counterpart in the opponent's mark. The marks differ further in the presence of the bull horns that sit at the top of the opponent's mark. The opponent's mark is aligned vertically and presented in a slightly stylised typeface. While in a standard typeface, the applicant's mark is a figurative one and is not, therefore, covered for use in any standard typeface (which would ordinarily cover the typeface of the opponent). As a result, even though the presentational/stylistic points play lesser roles in the opponent's mark, they are still points of visual difference. Taking all of this into account and bearing in mind the overall impressions of the marls, I find that they are visually similar to slightly above a medium degree.

68. Lastly, the opponent's third mark is the word 'BULL', which is present as the second word in the applicant's mark. The word 'Sea' at the beginning of the applicant's mark has no counterpart in the opponent's mark. The typeface used in the applicant's mark is standard and, therefore, the opponent's third mark (being a word only mark) can be used in the exact same typeface. Taking this into account and given that 'BULL' is the sole element of the opponent's third mark, I find that the marks are visually similar to between a medium and high degree.

Aural Comparison

69. Considering the opponent's first mark, I note that much like the visual comparison, the points of aural similarity lie in the word 'BULL' whereas the use of 'RED' and 'Sea' in the parties' marks are points of difference. Aurally, the marks are of equal length. In my view, the point of identity in the second syllables is counteracted by the entirely different first syllables to the point that it renders the marks aurally similar to a medium degree.

70. Given that both the opponent's second and third marks' aural elements are the word 'BULL', I can deal with them together. As was the case with the aural comparison above, these marks share the word 'BULL'. While 'Sea' is a point of difference in the applicant's mark, there is no corresponding element that acts as a direct point of difference in the opponent's marks (as there was above in the presence of the word 'RED'). As a result, and bearing in mind that 'BULL' is the only aural element of the opponent's marks, I find that these marks are aurally similar to between a medium and high degree.

Conceptual Comparison

71. The opponent's first mark, being 'RED BULL', will be understood by consumers are a reference to a bull (being a male bovine animal) that is red. The applicant's mark, on the other hand, will be perceived as carrying a somewhat unusual concept. On this point, I appreciate that male manatees are known as 'bulls' and that they are aquatic mammals that inhabit the sea. However, I have nothing to suggest that a significant proportion of consumers would (1) be aware of male manatees being known as 'bulls' or (2) that they would derive a reference to a male manatee from the word 'SeaBull'.[21] As such, consumers will simply consider the applicant's mark to be a reference to a bull (being a male bovine animal) that is associated with the sea. While the reference to colour and the sea are points of conceptual difference, both marks carry the shared concept of a reference to the same animal. In my view, this shared concept is sufficient to warrant a finding that the marks are conceptually similar to a medium degree.

72. As was the case with the aural comparison above, I am of the view that I can deal with the opponent's second and third marks together. I do so because their sole

[21] I say this because while I accept male manatees are 'bulls', there is nothing before me to suggest they are referred to as 'sea bulls'.

concept derives from the word 'BULL'.[22] Clearly, this will be understood as a reference to the animal. As for the applicant's mark, this will carry the same concept I have discussed above. Unlike above (where 'RED' also contributed), the reference to the sea is the only point of conceptual difference between the marks. Overall, I consider that these marks are conceptually similar to between a medium and high degree.

Distinctive character of the opponent's marks

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

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of

[22] I appreciate that the horns in the opponent's second mark will contribute to that mark's concept, however, all this does is reinforce the reference to the animal.

commerce and industry or other trade and professional associations (see Windsurfing Chiemsee, paragraph 51)."

74. Registered trade marks possess varying degrees of inherent distinctive character, perhaps lower where a mark may be suggestive or allusive of a characteristic of the goods or services for which it is registered, ranging up 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. As set out above, the opponent has claimed to enjoy an enhanced degree of distinctive character and has filed evidence to that effect. However before considering the position with regard to enhanced distinctiveness, I will consider the inherent position.

75. As set out above, the opponent's first mark is a word only mark for the words 'RED BULL'. While the opponent's first mark is not descriptive or allusive to the goods at issue, it does not consist of made-up words with no meaning. Instead, I have found that it has a well-known meaning across the UK consumer base. As a result, I find that it enjoys a medium degree of inherent distinctiveness. The same can be said for the opponent's second and third marks also. Despite the figurative elements of the second mark, its distinctiveness lies in the word 'BULL'. Again, this is not descriptive or allusive but neither is it remarkable from a trade mark perspective. As a result, I find that the opponent's second and third marks also enjoy a medium degree of inherent distinctive character.

76. Turning to the position in respect of enhanced distinctiveness, I first wish to address a point raised by the opponent. As was the case with genuine use above, the opponent claims that use of 'RED BULL' is capable of giving an enhanced degree of distinctiveness to the word 'BULL'. In making this argument, the opponent relies on the case of *Société des Produits Nestlé SA v Mars UK Ltd*, Case C353/03, wherein the CJEU set out that it was possible for a trade mark to acquire distinctive character through use as part of another trade mark. In the case

cited, the issue was whether ‘HAVE A BREAK’ could derive distinctiveness from use of ‘HAVE A BREAK, HAVE A KIT-KAT’. While there are cases where this may occur, this relates to a promotional phrase and just because it was found to apply in that case, it does not automatically apply to all. In my view, the present issue is entirely distinct from the one referred to by the opponent and is not, therefore, something that can be said to be directly applicable. As I have explained above, ‘BULL’ does not retain its own distinctive character within ‘RED BULL’ which, instead, will be viewed as a phrase with a unitary meaning. As a result, I see no reason why a consumer would see the use of ‘RED BULL’ and attribute any distinctiveness with the word ‘BULL’ solus.

77. Moving to the actual assessment of enhanced distinctiveness, I am of the view that I can deal with this briefly. The evidence I have assessed at paragraphs 26 to 42 above is clearly representative of an enormous business operation which involves, for the most part, sales of energy drinks under the ‘RED BULL’ branding throughout the UK. The level of use is so large that I have no hesitation that the opponent’s first mark enjoys a very high degree of enhanced distinctiveness thanks to the use made of it. I do not intend to reproduce the evidence in full but remind myself that the opponent had almost 4 billion sales in the UK between 2015 and 2022, a media expense spend of €123 million, a marketing spend of €373 million and consistently enjoyed around a 33% share of the relevant market. Saying that, I consider that this only applies to ‘energy drinks’. While the evidence in relation to other types of soft drinks was permissible for genuine use, I remind myself that the requirement for a finding of an enhanced distinctive character is considerably more onerous than that of genuine use. I say this on the basis that use need not be quantitatively significant in order for it to be genuine. On the contrary, a finding of an enhanced degree of distinctive character requires use at such a level that is capable of pointing to the fact that a proportion of consumers would identify the goods as originating from a particular undertaking. In my view, the opponents’ evidence in respect of goods outside of ‘energy drinks’ does not come close to demonstrating that it enjoys any level of enhanced distinctiveness in respect of those goods.

78. In respect of the opponent's second and third marks, I have summarised the evidence in respect of the same above at paragraphs 43 to 45. Repeating what I have above, I accept that this use may have been sufficient to prove genuine use, however, the present test is considerably more onerous than the one assessed above. I remind myself that the sales for such goods cover around 10,000 units of energy drinks sold per year from 2016 onwards. This is a very low level of sales, especially given the size of the market. In short, I consider that this evidence falls far short in proving that the opponent's second and third marks enjoy any degree of enhanced distinctive character. Therefore, the inherent position applies to the second and third marks.

Likelihood of confusion

79. 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 and services 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 and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's marks, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he or she has retained in his or her mind.

80. I have found the applicant's goods to be identical to the goods in the opponent's first and second marks. However, I have found those goods to be similar to no

more than a medium degree with the goods in the opponent's third mark. I have found the average consumer for the goods to be members of the general public at large who will select the goods with primarily visual considerations (though I do not discount the aural component) after having paid, generally, a medium degree of attention. In respect of the similarity of the marks at issue, I have found the applicant's mark to be:

a. Visually, aurally and conceptually similar to a medium degree with the opponent's first mark;
b. Visually similar to a slightly above medium degree and aurally and conceptually similar to between a medium and high degree with the opponent's second mark; and
c. Visually, aurally and conceptually similar to between a medium and high degree with the opponent's third mark.

81. The opponent's marks are all inherently distinctive to a medium degree. While the distinctiveness of the opponent's first mark has been enhanced to a very high degree for "energy drinks" due to the use made of it, the same finding does not apply to the opponent's second and third marks, to which the inherent position applies.

82. Taking all of the above into account and even bearing in mind the principle of imperfect recollection, I am of the view that consumers will be able to accurately discern the differences between the marks and use those differences to accurately recall which mark was which. I say this regardless of whether the consumer is confronted with the very highly distinctive mark 'RED BULL' on energy drinks or whether they are confronted with either of the 'BULL' marks. I appreciate that there is a degree of similarity between them thanks to the shared use of the word 'BULL', however, consumers would not overlook the presence of the word 'Sea' in the applicant's mark (regardless of whether they are considering the opponent's first or second and third marks). I make this finding particularly given that the word 'Sea'

comes at the beginning of the mark, being where consumers tend to focus.[23] As such, consumers will not overlook the word 'Sea', regardless of whether it is being compared to 'RED BULL' (which has its own different beginning) or the 'BULL' marks. Consequently, I do not consider that there exists a likelihood of direct confusion between the marks at issue, even when viewed on identical goods.

83. I now turn to consider indirect confusion. In doing so, I remind myself of the case of *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10, wherein Mr Iain Purvis Q.C., as the Appointed Person, explained that:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: 'The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark'.
>
> 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

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

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)".

84. Further, I note the case of *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, wherein Arnold LJ referred to the comments of James Mellor Q.C. (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at paragraph 16 that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a 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.

85. The opponent's submissions in respect of indirect confusion focus on two arguments. I will deal with these in turn. Firstly, the opponent submits that 'BULL' is so distinctive for energy drinks that the public would believe that any mark incorporating this term for non-alcoholic beverages can only come from one undertaking, being the opponent. As above, I have found that 'BULL', solus, only enjoys a medium degree of inherent distinctive character. This is because it is an ordinary dictionary word with a well-known meaning. Further, I remind myself that the evidence of use cannot be said to point to an enhanced degree of distinctiveness for 'BULL'. As such, I do not consider that 'BULL' can be said to be

so strikingly distinctive that the consumer would believe only one undertaking would use it. On this point, I appreciate that the opponent's first mark enjoys a very high degree of distinctive character, however, this vests in the mark as a whole, being 'RED BULL', and not its individual components. As a result, I see no merit in the argument that the shared used of 'BULL' is sufficient to give rise to a finding of indirect confusion.

86. The second argument raised by the opponent is that 'Sea' is a descriptive element and its presence before 'BULL' is a logical indicator consistent with a brand extension or sub-brand. The opponent argues that the applicant's mark could be perceived to denote that the opponent's range of goods is associated with the sea in some way. In making this argument, the opponent relied on its 'ORGANICS by Red Bull' brand, within which a sea range could be easily envisaged because of the relationship between the organics range consisting of natural ingredients and the sea being a natural source of the earth. While noted, I do not consider that this argument holds any merit. As above, the enhanced distinctive character of the opponent's first mark lies in that mark as a whole and I see no reason why consumers would believe that 'RED BULL' would omit a significant part of its distinctive mark and replace it with a descriptive element.[24] Further, even considering the 'BULL' marks, it does not appear logical to me that a consumer would believe that an undertaking that operates under the 'BULL' branding would add the word 'Sea' before the word 'Bull' to denote goods that derive from ingredients from the sea. I say this because, while conceptually similar, the concept created by 'SeaBull' is unusual so consumers would consider this somewhat peculiar to the point that they would believe it to be an indicator of a separate origin.

87. In light of what I have said above and especially bearing in mind the comments of Mr Mellor Q.C. and Arnold LJ referenced at paragraph 84 above, I find that there

[24] For completeness, this same finding applies to any reference to category (b) of *L.A. Sugar* (cited above) as the same can be said in respect of a change to one of the elements of the opponent's first mark, namely changing 'RED' to 'Sea'.

exists no likelihood of indirect confusion between the parties' marks, even on identical goods and where the opponent's first mark is considered very highly distinctive.

88. I will now proceed to consider the section 5(3) ground.

Section 5(3)

89. Section 5(3) of the Act states:

> "5(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 (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark."

90. 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,* Case C-323/09, *Marks and Spencer v Interflora,* Case C383/12P, *Environmental Manufacturing LLP v OHIM.* The law appears to be as follows:

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

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; 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 Salomon, paragraph 29* and *Intel, paragraph 63.*

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

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

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34.*

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

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the holder 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).*

91. Under the present ground, the opponent relies only on its first mark, being the word only mark 'RED BULL' and claims a reputation in "energy drinks" only (though I appreciate that this is categorised as "non-alcoholic beverages, namely energy drinks").

92. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the marks are similar. Secondly, the opponent must show that its mark has achieved a level of knowledge/reputation amongst a significant part of the public. Thirdly, it must be established that the level of reputation and the similarities between the parties' marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the applicant's mark. Finally, assuming the first three conditions have been met, section 5(3) requires that one

or more of the types of damage will occur. It is unnecessary for the purposes of section 5(3) that the goods and services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

Reputation

93. I note that, in its notice of opposition, the opponent made reference to decisions of this Office and of the High Court, being the case of *Bulzai Energy Drinks* (BL O/460/11) and *Red Bull GmbH v Big Horn UK Ltd & Ors* [2020] EWHC 124 (Ch), respectively. On this point, the opponent invited the applicant to admit the reputation in relation to energy drinks, which it did not (and nor is it compelled to do so). As my assessment of reputation is based on the evidence filed in the proceedings before me, I am not bound by either of these cases. Having said that, I do echo the comments of the Hearing Officer in the *Bulzai Energy Drinks* case wherein he stated that:

> "the RED BULL is the type of mark so well-known that it would be permissible to accept, as a matter of judicial notice, that in respect of energy drinks, it has a very strong reputation."

94. Even ignoring any need to rely on judicial notice, I remind myself that the evidence filed shows a total of almost 4 billion energy drinks from 2015 to 2022 in the UK. In addition, it demonstrates that the opponent incurred media expenses of €123 million and a marketing spend of €373 million during that same time frame. In addition, the opponent enjoyed roughly a 33% share of the relevant market between 2018 and 2022. Such use is clearly at a very high level and, as a result, I have no hesitation in finding that the opponent enjoys a very strong reputation in the UK for energy drinks.

Link

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

The degree of similarity between the conflicting marks.

96. The parties' marks are visually, aurally and conceptually similar to a medium degree.

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

97. The reputed goods are "energy drinks". My comparison of the goods under the section 5(2)(b) ground for the opponent's first mark involved a broader set of goods so the findings made there are not applicable here. Having said that, I remind myself that my comparison of the goods in the opponent's third mark involved a comparison of "energy drinks" to the applicant's goods. In my view, that same comparison can apply here. Therefore, following the same reasons given at paragraph 54 above, I find that the opponent's "energy drinks" are identical to the applicant's "non-alcoholic beverages", "sports drinks", "non-alcoholic energy drinks" and "sports drinks containing electrolytes". As for the applicant's "soy beverage", "whey beverages", "non-alcoholic beverages flavoured with coffee", "fruit juices", "fruit nectars, non-alcoholic" and "mineral water [beverages]" I find that, following the reasons given at paragraph 55 above, they are similar with the opponent's "energy drinks" to no more than a medium degree.

The strength of the earlier mark's reputation.

98. I have found that the opponent's marks enjoy a very strong reputation.

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

99. Inherently, I have found the opponent's marks to be distinctive to a medium degree. I consider that as a result of the evidence before me, this has been enhanced to a very high degree.

Whether there is a likelihood of confusion

100. I have found that there is neither direct or indirect confusion between the marks at issue.

Conclusions on link

101. While I have found there to be no likelihood of confusion, this does not mean that there cannot be a link between the marks. In the present case, I consider that the strength of the opponent's reputation and the enhanced degree of distinctiveness enjoyed by its mark are so strong that a link is inevitable, especially considering the presence of the identical word 'BULL' in the applicant's mark (regardless of its position at the end of the mark). In my view, when confronted by the applicant's mark, a significant proportion of the relevant public would be caused to wonder if it was linked to the reputed mark of the opponent.

Damage

102. The opponent has pleaded that use of the applicant's mark would, without due cause, lead to an unfair advantage in favour of the applicant and cause a detriment

to both the reputation of the opponent and to the distinctive character of the opponent's mark.

Unfair Advantage

103. I bear in mind that unfair advantage has no effect on the consumers of the opponent's goods. Instead, the taking of unfair advantage of the distinctive character or reputation of an earlier mark means that consumers are more likely to select the goods of the marks in the application than they would otherwise have been if they had not been reminded of the opponent's marks.

104. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

> "80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill."

105. I note that in its counterstatement, the applicant made a series of bare denials in respect of the present ground and in respect of unfair advantage. Given the

opponent's position in the market, I consider it implausible that the applicant was not aware of the opponent's reputation under its 'RED BULL' mark at the time of filing its mark. In considering whether any advantage is being taken of the opponent's reputation, I am of the view that a consumer will, when confronted with 'SeaBull', not only bring to mind the opponent's 'RED BULL' branding but the similarity between them is what will attract consumers towards the applicant's mark. While I have found that consumers will not be confused in respect of the commercial origin of the marks at issue, the use of the identical word 'BULL' as the second word in the mark is a clear example of riding on the coat tails of the 'RED BULL' brand. I am of the view that consumers will be attracted to the applicant's goods due to the shared use of the word 'BULL' (which is not an obvious type of imagery to use for energy drinks or any other type of drink, for that matter). Therefore, the applicant will benefit from a considerable marketing effort that the opponent has made, without paying financial compensation. In my view, this finding is supported by the fact that the applicant has not given any explanation as to why it chose to use the word 'BULL' in its mark. Without such, and considering the circumstances, I am of the view that it is reasonable to conclude that unfair advantage was intended. Lastly, I remind myself that the very strong reputation enjoyed by the opponent makes the aforementioned finding in respect of the damage all the more likely. Consequently, I find that the applicant's mark will take unfair advantage of the reputation vested in the opponent's first mark.

106. The applicant would have a defence if it could establish that it has a due cause in filing for its mark. However, no evidence or arguments have been put forward to this effect. The applicant's use is not, therefore, with due cause.

107. As damage is made out on the basis of unfair advantage, I do not consider it necessary to go on to consider the opponent's other heads of damage. The section 5(3) ground of the present opposition, therefore, succeeds.

CONCLUSION

108. The opposition succeeds and, subject to any successful appeal of my decision, the applicant's mark is refused registration for all goods.

COSTS

109. As the opponent has succeeded, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 1/2023. In the circumstances, I award the opponent the sum of £1,900 as a contribution towards its costs. The sum is calculated as follows:

Filing a notice of opposition and considering the applicant's counterstatement:	£300
Filing evidence and written submissions:	£700
Official fees:	£200
Total:	**£1,200**

110. I hereby order Shandong Fokun Investment Co., Ltd to pay Red Bull GmbH the sum of £1,200. The above sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 11th day of September 2024

A COOPER
For the Registrar