

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF A SERIES OF TWO TRADE MARKS IN APPLICATION NO 3,221,737 IN THE NAME OF CHRIS DOMINEY AND CHRISTOPHER LAPHAM

AND IN THE MATTER OF AN APPEAL FROM THE DECISIONS OF GEORGE SALTHOUSE DATED 14 AUGUST 2018 (O/499/18)

DECISION

Introduction

1. This is an appeal from the decision of George Salthouse, for the Registrar, dated 14 August 2018 in which he dismissed the opposition of the Monster Energy Company under sections 5(2)(b), 5(3) and 5(4) of the Trade Marks Act 1994 to Chris Dominey and Christopher Lapham's application. The Monster Energy Company appeals that decision.
2. The application in suit (No 3,221,737) is for the following two marks in a series for "Pizza" in class 30 and "Pizza Parlours" in Class 43:



3. The opposition was based on four earlier trade marks. The first was the word mark MONSTER (EUTM No. 9,492,158) which was more than five years old and so the opponent was required to prove use. The Hearing Officer found use only in relation to "Energy drinks" in Class 32. This finding of use was not disputed by the Appellant.
4. The second earlier mark was the word mark MONSTER JUICE (EUTM No. 14,823,322) which was registered in relation to "Non-alcoholic beverages" and "beer"

in Class 32. The third earlier mark (EUTM No 11,154,749) was the following figurative mark, which was registered for “non-alcoholic beverages” in Class 32:



5. The fourth, and final, earlier mark was the word mark MONSTER ENERGY (EUTM 4,823,563). This mark was also more than five years old and required proof of use. The Hearing Officer did not expressly consider the use of this mark (his conclusion in his Decision, paragraph 23 related only to the word mark MONSTER). However, on the evidence, he could not have concluded there was broader use of MONSTER ENERGY than for MONSTER and so it too must be confined to “energy drinks” in Class 32.

Standard of appeal

6. The principles applicable on appeal from the registrar were considered in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 by Daniel Alexander QC sitting as the Appointed Person. Mr Alexander summarised the position at paragraph 52 of his Decision (I made a few minor updates to this summary in *Grill’O Express* (O/140/17), paragraph 6, which I have incorporated in square brackets):

52. Drawing these threads together, so far as relevant for the present case, the principles can therefore be summarized as follows.

- (i) Appeals to the Appointed Person are limited to a review of the decision of Registrar (CPR [52.21]). The Appointed Person will overturn a decision of the Registrar if, but only if, it is wrong ([...][CPR 52.21]).
- (ii) The approach required depends on the nature of decision in question (*REEF*). There is spectrum of appropriate respect for the Registrar’s determination depending on the nature of the decision. At one end of the spectrum are decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary decisions. Further along the spectrum are multi-factorial decisions often dependent on inferences and an analysis of documentary material (*REEF, DuPont*).
- (iii) In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it (*Re: B and others*).
- (iv) In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (*REEF, BUD, Fine & Country and others*).

- (v) Situations where the Registrar’s decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be “clearly” or “plainly” wrong to warrant appellate interference but mere doubt about the decision will not suffice. However, in the case of a doubtful decision, if and only if, after anxious consideration, the Appointed Person adheres to his or her view that the Registrar’s decision was wrong, should the appeal be allowed (*Re: B*).
- (vi) The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account. (*REEF, Henderson and others*).

Bearing in mind the repeated reminders that different points are likely to be particularly relevant in other cases, this is not intended to be a summary of universal application for other cases where particular aspects of the approach may require different emphasis.

7. When sitting in the High Court and following the decision of the Outer House in *CCHG Ltd (t/a Vaporized) v Vapouriz Ltd* [2017] ScotCS CSOH 100, Mr Alexander considered the term “wrong” and “plainly wrong” once more in *Abanka DD v Abanca Corporacion Bancaria SA* [2017] EWHC 2428 (Ch):

Others courts have indicated, in the context of the issues they were considering, that such terminology is better avoided. Regardless of the language used, the real question, as all the cases say, is whether the decision in question was wrong in principle or was outside the range of views which could reasonably be taken on the facts (to adopt the formulation in *Rochester* [O/49/17] at [34]). It is important not to let discussion over qualifiers of this kind distract from the central idea of appellate restraint, expressed throughout the case law: a tribunal should not conclude that a decision is wrong, simply because it would not have decided the matter that way. That is a necessary, but not sufficient, condition for appellate reversal. The English (and in the light of *Vaporized*, Scottish) approach provides for appellate discipline in situations where there is no reason to consider that an appellate tribunal is better placed to make the evaluation than the Registrar from whom the appeal is brought. Against that background, the use of the term “plainly wrong” or “clearly wrong” can serve as a reminder of the height of the bar, without acting as a straightjacket for appellate tribunals.

8. I will apply these principles.

The grounds of appeal

9. The Appellant argued that the Hearing Officer made three errors. First, the Hearing Officer wrongly concluded that the average consumer would pay a medium degree of attention to the purchasing decision. Secondly, the Hearing Officer wrongly assessed the similarity of the goods and services. Thirdly, the Hearing Officer wrongly concluded that there would not be a link in the average consumer’s mind for the purposes of section 5(3).

The average consumer – level of attention

10. The Hearing Officer concluded that the average consumer for all the goods and services would be a member of the general public. The Appellant’s complaint related to the degree of attention the average consumer would pay to the selection of the relevant

goods and services. This assessment by the Hearing Officer was in paragraph 26 of his Decision:

...Turning now to the level of attention the average consumer will display when selecting the goods and services, the average cost of a pizza or beverage is relatively low, but the average consumer will want to ensure that whatever they consume is something which they enjoy and meets their requirements. There are a number of people with medical issues surrounding food and drink and increasingly the population is being encouraged to give more thought to the selection of the same, particularly the health aspects of the choice. **To my mind, the average consumer for such goods will be likely to pay a medium degree of attention to the selection of the goods at issue.** Turning to the selection of a pizza parlour or similar eatery. Issues such as what is on the menu, the choice offered, healthy options, the ingredients used as well as cleanliness, service and price will all be taken into account by the average consumer. **To my mind, the average consumer for such services will be likely to pay a medium degree of attention to the selection of the services at issue.**

11. Ms Collins argued on behalf of the Appellant that the average consumer would pay a low degree of attention to the purchase of the relevant goods and services, rather than a medium degree. She based this on earlier cases where the average consumer was assessed to make purchasing decisions about food with a low degree of attention. One example she referred to was the decision of James Mellor QC, sitting as the Appointed Person, in *Eden Chocolat* (O/547/17) where he upheld the finding of the Hearing Officer that the goods in question would be low cost and purchased in the supermarket and so there would be above a low but below a medium degree of attention paid to the purchasing decision (paragraphs 18 to 20). As this, and her other example, are findings of fact as to an issue (the degree of attention) they should be treated as such.
12. In this case, there was no evidence before the Hearing Officer as to the purchasing decision of any of the goods or services in question. He therefore had to rely on his own experience as a member of the general public to decide the facts relying on proof by judicial notice. A determination of fact, such as this, is routine and necessary in cases before the registry, as I highlighted in *Elvis Juice* (O/48/18) at paragraph 13:

Hearing Officers routinely rely on their own experience when making findings of fact. Indeed, as the quality of evidence filed by parties is sometimes so poor (or there is none at all), Hearing Officers are often compelled to make findings of fact without evidence at all as otherwise the outcome of oppositions might be arbitrary or capricious....
13. The decision to take judicial notice of a fact is an exercise of discretion by the Hearing Officer and it should be interfered with on appeal only where it is manifestly wrong: see *K T&G v BAT* (O/165/16) paragraph 18. Indeed, as Daniel Alexander QC, sitting as the Appointed Person, said in *O2 Holdings Ltd's TM App* [2011] RPC 22 at paragraph 60:

...once an experienced hearing officer has made an evaluation, an appellate tribunal needs to have very sound reasons for substituting its own view and implicitly thereby saying that it is better equipped with knowledge of the relevant field of commerce to evaluate the mark than the registrar.
14. The Appellant is essentially asking me to substitute my view of how much care is taken when purchasing the relevant goods and services for that of the Hearing Officer. Indeed, Ms Collins partially accepted what the Hearing Officer said; she agreed that there is a group of consumers who make more considered choices when selecting food and drink.

Nevertheless, she argued that most consumers still paid only a low degree of attention to the question.

15. This actually highlights the difficulty with the ground of appeal. While some consumers may pay little attention to what they eat and some will pay an intensive degree of attention (such as those with severe food allergies), most will fall between these extremes.
16. The extent of the Appellant's criticism was really little more than the Hearing Officer thought that a few more people were reflective about food choices than is actually the case. However, and as I have said, without any evidence I cannot just substitute my own perception of the market for that used below. In fact, my own view is that the Hearing Officer is right about the purchasing decision for food and drink. Walking down the high street and looking at advertising in shops which highlight the absence or inclusion of particular ingredients from food suggests retailers consider these things to be important to their customers. For instance, many things are labelled nut-free or containing no refined sugar or being low in fat; and similarly, some products are labelled with "one of your five a day" to indicate that consumption constitutes one of a person's five portions of fruit and vegetables per day. These things would be advertised only if they were relevant to customer choices and there were enough reflection in those choices for such information to be considered. Accordingly, I think the Hearing Officer's finding was entirely reasonable and is not open to challenge.

Comparison of goods and services

17. The Hearing Officer concluded that neither Pizza (Class 30) nor Pizza Parlours (Class 43) was similar or complimentary to energy drinks, non-alcoholic beverages or beer (Class 32): see Decision, paragraphs 32 to 34. The relevant findings (again from the Hearing Officer's own experience) were in paragraph 32 of his Decision:

I shall first compare the applicants' class 30 goods to the class 32 goods of the opponent. Clearly pizza is a food whilst the opponent's goods are drinks. One is used to satisfy hunger the other to quench one's thirst or artificially boost energy levels. Physically the goods are very different. Clearly the users are potentially the same. The trade channels are clearly different as pizza is most often made upon the premises of a restaurant or takeaway, having been delivered in its raw ingredient state. I accept it can also be purchased frozen and cooked at home, but would suggest that the trade channels for food and drink are fundamentally different. I also note that in supermarkets the goods are sold in separate areas of the store. I accept that both could be sold, in their cooked state, in supermarkets / restaurants and takeaways. I do not believe that they are in competition with each other. I accept that in restaurants and takeaway outlets beverages will be sold in cans, bottles or to drink on the premises, but an energy drink is not, in my opinion, a normal accompaniment to a meal. I do not believe that any of the above alters the basic, and some might say very obvious, fact that the goods of the two parties are fundamentally different.

18. The Appellant made a number of suggestions as to how these findings were flawed. The first, which can be dismissed quickly, is that both food and drink provide nourishment and so there must be some similarity. The basis of this argument was a decision of the EUIPO Opposition Decision (Opp No B2,432,634 *Monster Energy Company v Sushi Monster*, 22 September 2017) which found that foodstuff is "a

particular substance suitable for consumption as food” and food is “any nutritious substance that people or animals eat or drink to maintain life and growth; nourishment, provisions” and “soft drinks” are used for “nourishment” so therefore are a foodstuff.

19. This could be summarised as the term “foodstuff” included drinks and so foodstuff includes soft drinks. It has no real application in relation to Class 30. There is no possible way that the word “Pizza” would be used to describe energy drinks, other non-alcoholic drinks or beer. It certainly does not support the Ms Collin’s broader proposition that pizza and soft drinks are similar because they both provide nourishment. Taken to its logical conclusion this proposition would mean that all foods and all drinks are similar as would be products for intravenous feeding of parenteral nutrition in hospitals.
20. The Appellant’s second suggested flaw was the sentence “I accept that in restaurants and takeaway outlets beverages will be sold in cans, bottles or to drink on the premises, but an energy drink is not, in my opinion, a normal accompaniment to a meal.” Here, Ms Collins suggests, the Hearing Officer only considered energy drinks and, in relation to the MONSTER JUICE mark and the figurative mark, the specification was broader.
21. I do not believe Ms Collins’s submission can succeed for two reasons. First, the reference to “energy drinks” was only part of a broader discussion of the similarity between food and drink. Secondly, the Hearing Officer found that the two goods are “fundamentally different” and this must be right. The General Court has found beer to be not similar to wine (T-175/06 *Coca Cola v OHIM* [2008] ECR II-1055) or tequila (T-584/10 *Yilmaz v OHIM*, EU:T:2012:518) and so it would be extraordinary if I were to conclude that beer or other drinks were similar to pizza. Indeed, and more pertinently, the General Court in T-736/14 *Monster Energy v OHIM*, EU:T:2015:809 (a case involving three of earlier marks in this case) held that “confectionary” including biscuits, cakes and pastry was not similar to coffee based beverages in class 30. Clearly, the Hearing Officer’s conclusion that Pizza is not similar to the goods covered by the earlier mark is unimpeachable.
22. The Appellant also criticised the Hearing Officer’s decision that “pizza parlours” in Class 43 are not similar to the goods in class 32. His finding was in paragraph 34:

...Whilst the users of the services and goods of the two parties are the same, and they might share a trade channel, the goods and services differ in every other respect. In my opinion, **the applicants’ services in class 43 are not similar to the opponent’s goods in class 32 nor are they complementary.**
23. The core of Ms Collins argument was that pizza parlours sell non-alcoholic beverages, and sometimes beer and energy drinks and therefore the goods are similar to some degree. It is clear that the provision of food and drink in class 43 might have a low degree of similarity to various beverages sold there. In T-161/07 *COYOTE UGLY*, EU:T:2008:473 at paragraph 24-35 it was found that “cocktail lounge services” was similar to beer to a low degree as a cocktail lounge would sell beer; and it was held that

restaurant services were similar to beverages in T-304/12 *ABSACKER*, EU:T:2014:5 and T-562/14 *Yoo Holdings*, EU:T:2015:363.

24. Accordingly, the Hearing Officer was wrong to conclude that a pizza parlour as a service was not similar to the goods it sells. The Hearing Officer concluded that non-alcoholic beverages and beer would be sold in a pizza parlour although energy drinks would not (paragraph 32). For the reasons outlined above I cannot go behind these findings of fact. Accordingly, he should have found that energy drinks are dissimilar to pizza parlours but some “non-alcoholic beverages” and “beer” are similar to a low degree.
25. Where goods or services are not similar to any degree it is unnecessary to proceed to the assessment of the likelihood of confusion: C-106/03 *Vedial* [2004] ECR I-9573 at paragraphs 51 to 54. This means that any objection based on section 5(2) would fail at this point. Accordingly, as the goods covered by MONSTER and MONSTER ENERGY were confined to non-similar goods (energy drinks) the opposition under s 5(2) in relation to these marks is dismissed.
26. The Hearing Officer was required to go on and consider the similarity of the other two earlier marks; that is, MONSTER JUICE and the figurative mark. In any event, and it turns out sensibly, the Hearing Officer considered the similarity of the marks and the likelihood of confusion for MONSTER and MONSTER JUICE. While he was not required to consider MONSTER, it is the mark which must be considered closest to MONSTA PIZZA and so is instructive of success for the other marks.
27. In paragraph 40 of his decision, the Hearing Officer made various findings of fact. First, the marks are very different in appearance (including the closest mark MONSTER). Secondly, the word “monster” is used in the trade to indicate a large portion. Thirdly, there is some aural similarity between the earlier marks and the mark in suit. Fourthly, there is no conceptual similarity at all between those marks. Therefore, the two earlier marks were similar to the mark in suit only to a “low degree at best”.
28. In paragraph 43, it was highlighted that no use has been shown for MONSTER JUICE (and the same is true for the figurative mark). He held that the marks were inherently distinctive to a medium degree. There was no claim to enhanced distinctiveness for these marks (but such distinctiveness was found for MONSTER).
29. The Hearing Officer’s assessment on the likelihood of confusion in paragraph 44 includes the following:

Neither the applicants’ goods in class 30 nor the applicants’ services in class 43 are in any way similar to the opponent’s goods on class 32, nor is there any complementarity between the applicants’ goods and services and the class 32 goods of the opponent.
30. As an assessment of some sort was being undertaken, the Hearing Officer must have meant that the similarity between the goods and services was at the lowest level required to go on to assess the likelihood of confusion (see paragraph 26 above), rather than the goods and services were actually dissimilar. As I have already held, the level

of similarity of the goods and services was greater than that found by the Hearing Officer but even if he had adopted that slightly higher degree of similarity (that is the low degree of similarity suggested by the General Court) it would not have changed his other conclusions. Considering his findings overall, even with the similarity of goods and services increased, he would still have been compelled to find that there was no likelihood of confusion. I therefore uphold the Hearing Officer's dismissal of the opposition under section 5(2).

31. Ms Collins rightly accepted during the Hearing that the Appellant could not be successful under section 5(4) if she failed under section 5(2). Accordingly, the Hearing Officer was right to reject the section 5(4) opposition and I need not consider it further.

Section 5(3)

32. The Respondent conceded that there was at all material times a sufficient reputation to engage section 5(3) in relation to the marks MONSTER and the figurative mark. The opposition under section 5(3) was also based on MONSTER ENERGY, but the Hearing Officer took the view that the strongest case was for MONSTER (Decision, paragraph 48) and so he did not need to consider MONSTER ENERGY separately. While this approach was criticised by the Appellant it was entirely proper. As the reputation for MONSTER and MONSTER ENERGY was for the same goods (energy drinks) and the common element with the application in suit is the MONST in MONSTER the case could not be better for MONSTER ENERGY than it would be for MONSTER and so the Hearing Officer was right to concentrate on the one mark.

33. The Hearing Officer's conclusion on section 5(3) was set out in paragraph 51:
Earlier in this decision I found that the opponent's mark 9492158 is similar only to a low degree to the marks sought to be registered by the applicants. I also found that the opponent's goods were not at all similar to the goods and services of the applicants. The opponent has provided no evidence to suggest that it is common in trade for energy drinks providers to also provide pizzas (or any food items) or run food outlets. They have not even shown that it is common place for fast food outlets to stock their product. To my mind, despite the fact that the users are the same and the opponent's reputation, if a member of the public saw the applicant's marks they would not immediately make the link to the opponent. The ground of opposition under section 5(3) fails.

34. The Appellant argued that consumers would find a link between the two marks and criticised the Hearing Officer's reliance on the comparison used for section 5(2). In C-552/09 *Ferrero v OHIM* [2011] ECR I-2063 the Court of Justice accepted that the assessment for similarity of marks for the equivalent of sections 5(2) and 5(3) can be undertaken in the same way (paragraph 54) albeit less similarity is required for section 5(3) (paragraph 54) because there is no requirement of confusion. This argument by the Appellant must therefore be rejected.

35. The Appellant also objected to the Hearing Officer considering the similarity of the goods and services when determining whether the consumer will make a link between the two marks or not. In C-252/07 *Intel Corp* [2008] ECR I-8823 at paragraph 42 the court set out the factors used to assess a link:

Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark's reputation;
- the degree of the earlier mark's distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public.

36. As the Court of Justice has said that the similarity or otherwise of the goods or services for which the conflicting marks are registered is a material factor, the Appellant's objection in this respect must also be dismissed.

37. I have not disturbed the finding of fact in relation to the similarity of energy drinks to pizzas and pizza parlours and so there is therefore no basis for overturning the Hearing Officer's finding that there is no link for the purposes of section 5(3). The appeal in relation to section 5(3) is therefore dismissed.

38. The substantive appeal is therefore rejected in its entirety.

Costs

39. The Respondent cross-appealed the Hearing Officer's costs award. However, it appeared at the hearing that this was little more than a plea for sympathy: the Respondent is a small business and every penny in costs recovery helps. The scale system before the Hearing Officer was set to ensure small and micro businesses, as far as possible, have access to justice by restricting costs recovery. Being a small business cannot therefore reduce scaled costs awards. In any event, at the hearing, the Respondent accepted that there was no real legal basis for the costs appeal and so it was not pursued further. The Hearing Officer's costs award is therefore upheld.

40. While the Appellant had some success on appeal, it was very limited and so I order that the Appellant must pay a contribution of £750 towards the Respondent's costs which should be paid within fourteen days of the date of the order.

PHILLIP JOHNSON
28 JANUARY 2019

Representation:

For Appellant: Patricia Collis of Bird and Bird LLP

For Respondent: Michael Downing of Downing IP Limited