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London EC4A 1NL

Thursday, 10th January 2019

Before:

MR GEOFFREY HOBBS QC
(Sitting as the Appointed Person)

In the matter of the Trade Marks Act 1994

- and -

In the matter of an appeal to the Appointed Person under
section 76

- and -

In the matter of International Trade Mark No.1351639
in the name of GOGU MARIN

- and -

Opposition No.410444 by ENERGY BEVERAGES LLC to protection
thereof in the United Kingdom

In the matter of an Appeal to the Appointed Person from the
decision of Mrs. Ann Corbett, acting on behalf of the
Registrar, the Comptroller General, dated 16th July 2018

(Transcript of the Stenograph Notes of Marten Walsh Cherer
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MS. PATRICIA COLLIS of Bird & Bird LLP appeared for the
Opponent (Appellant)

No appearance by or for the Respondent to the appeal

APPROVED DECISION


THE APPOINTED PERSON: On 17th March 2017, Mr. Gogu Marin requested protection in the United Kingdom for international trade mark registration number 1351639, filed in respect of the following device mark for "cigarettes, cigarette filters, cigarettes containing tobacco substitutes not for medical purposes, cigarette paper, tobacco," in Class 34:



The request for protection was opposed by Energy Beverages LLC under section 5(2)(b) of the Trade Marks Act 1994, on the basis of the earlier rights to which it was entitled by virtue of registration augmented by use of the

following EU trade marks:

Mark and No	Dates	Goods relied upon
EUTM 3501244 BURN	Filing date: 31 October 2003 Date of entry in register: 12 April 2005 Seniority date: 3 January 2001	Goods in class 32
EUTM 10259687 	Filing date: 13 September 2011 Date of entry in register: 24 January 2012	Goods in class 32
EUTM 11575289 	Filing date: 14 February 2013 Date of entry in register: 25 June 2013	Goods in class 32
EUTM 11870516 	Filing date: 4 June 2013 Date of entry in register: 15 October 2013	Goods in class 32

<p>EUTM 15816151</p> 	<p>Filing date: 12 September 2016 Date of entry in register: 28 December 2016</p>	<p>Goods in class 32</p>
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The goods covered by the registrations in issue for the purposes of the objection under section 5(2) (b) were as follows:

Opponent's specification	Holder's specification
<p>EUTM 3501244 Class 32 Beverages, namely drinking waters, flavored waters, mineral and aerated waters: and other non-alcoholic beverages, namely, soft drinks, energy drinks and sports drinks; fruit drinks and juices; syrups, concentrates and powders for making beverages, namely flavored waters, mineral and aerated waters, soft drinks, energy drinks, sports drinks, fruit juices and juices</p>	<p>Class 34 Cigarettes, cigarette filters, cigarettes containing tobacco substitutes not for medical purposes, cigarette paper, tobacco</p>
<p>EUTM10259687 Class 32 Beers; Mineral and aerated waters and other non-alcoholic drinks; Fruit drinks and fruit juices; Syrups and other preparations for making beverages</p>	

<p>EUTM 11575289</p> <p>Class 32</p> <p>Beers; Mineral and aerated waters and other non-alcoholic beverages; Fruit beverages and fruit juices; Syrups and other preparations for making beverages; Aerated water; Aloe vera drinks, non-alcoholic; Aperitifs, non-alcoholic; Beer; Beer wort; Cider, non-alcoholic; Cocktails, non-alcoholic; Essences for making beverages; Extracts of hops for making beer; Fruit juice; Fruit nectars, non-alcoholic; Ginger ale; Grape must, unfermented; Isotonic beverages; Kvass [non-alcoholic beverage]; Lemonades; Lithia water; Malt beer; Malt wort; Milk of almonds [beverage]; Mineral water [beverages]; Must; Non-alcoholic beverages; Non-alcoholic fruit extracts; Non-alcoholic fruit juice beverages; Non-alcoholic honey-based beverages; Orgeat; Pastilles for effervescing beverages; Peanut milk [non-alcoholic beverage]; Powders for effervescing beverages; Preparations for making aerated water; Preparations for making beverages; Preparations for making liqueurs; Preparations for making mineral water; Sarsaparilla [non-alcoholic beverage]; Seltzer water; Smoothies; Soda water; Sorbets [beverages]; Syrups for beverages; Syrups for lemonade; Table waters; Tomato juice [beverage]; Vegetable juices [beverages]; Waters [beverages]; Whey beverages.</p>	
<p>EUTM 11870516</p> <p>Class 32</p> <p>Beers; mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices; syrups and other preparations for making beverages; aerated water; aloe vera drinks, non-alcoholic; aperitifs, non-alcoholic; beer; beer wort; cider, non-alcoholic; cocktails, non-alcoholic; essences for making beverages; extracts of hops for making beer; fruit juice; fruit</p>	

nectars, non-alcoholic; ginger ale; grape must, unfermented; isotonic beverages; kvass [nonalcoholic beverage]; lemonades; lithia water; malt beer; malt wort; milk of almonds [beverage]; mineral water [beverages]; must; non-alcoholic beverages; non-alcoholic fruit extracts; non-alcoholic fruit juice beverages; non-alcoholic honey-based beverages; orgeat; pastilles for effervescing beverages; peanut milk [non-alcoholic beverage]; powders for effervescing beverages; preparations for making aerated water; preparations for making beverages; preparations for making liqueurs; preparations for making mineral water; sarsaparilla [non-alcoholic beverage]; seltzer water; smoothies; soda water; sorbets [beverages]; syrups for beverages; syrups for lemonade; table waters; tomato juice [beverage]; vegetable juices [beverages]; waters [beverages]; whey beverages; energy drinks.	
EUTM 15816151 Class 32 Non-alcoholic beverages; beer.	

I pause at this point to observe that the CJEU has affirmed and reaffirmed in a number of cases, one being Case C-398/07P, *Waterford Wedgwood Plc* at paragraph 34, that section 5(2)(b) is inapplicable to situations in which the goods or services in issue are neither identical nor similar. To all intents and purposes, the fate of the opposition in the present case depended upon whether the opponent could establish to the satisfaction of the Registrar of Trade Marks that the goods in issue ought correctly to be regarded as "similar" for the purposes of

section 5(2)(b).

The opponent filed evidence in support of its opposition. This consisted of a witness statement of Rodney Sacks with eight exhibits dated 9th February 2018. Mr. Sacks is the Chairman and Chief Executive of Monster Beverage Corporation, a position which he has held since 1990. He has been the Chief Executive of the opponent, which is a subsidiary of Monster Beverage Corporation, since 2015. His witness statement provided ample evidence of the large scale use and widespread reputation of the verbal and non-verbal elements of the branding featured in the opponent's earlier registered trade marks. It did not address the question of how or why the goods in issue might be regarded as "similar" on a real world consideration of their nature, respective uses and users, channels of distribution, positioning in retail outlets, competitive leanings or market segmentation.

The opposition was rejected for the reasons given by Mrs. Ann Corbett on behalf of the Registrar of Trade Marks in a decision issued under reference BL O/422/18 on 16th July 2018. She ordered the opponent to pay £400 to Mr. Marin in respect of his costs of the registry proceedings. In paragraphs 9 to 13 of her decision the Hearing Officer directed herself correctly by reference to the judgments in a number of cases concerning the assessment of "similarity" between goods for the purposes of section

5(2) (b) .

Her reasoning and conclusion on applying the law to the facts of the case in hand were as follows:

"15. In response to a direction from the registrar to provide a specific explanation of why it considered the respective goods to be similar, the opponent claims the respective goods share a 'reasonably high degree' of similarity and submits:

'It is clear from an application of the Canon factors that the [holder's] cigarettes and smoking related goods share a relatively high degree of similarity with the Opponent's beer and non-alcoholic beverages:

a: alcoholic and non-alcoholic beverages and cigarettes, respectively, are all consumable products and therefore share a similar nature;

b: beverages, in particular beer, and cigarettes are consumed for the same intended purpose, namely to enhance the enjoyment and relaxation of the consumer; and

c: beverages, in particular beer, and cigarettes are often consumed at the same time, for example in beer gardens in pubs; it is therefore clear that these goods are complementary. Indeed, the complementarity of alcoholic beverages and cigarettes is so well-established that the famous UK band Oasis released a song in 1994 called "Cigarettes and Alcohol"

Referring to the criteria set out in Treat, it goes on

to claim:

'a: there is a significant overlap in the respective users of beverages, in particular beer, and cigarettes as both are consumed in the UK by adults over the age of 18: and

b: the trade channels of beverages, in particular beer, and cigarettes share some similarities as both are available for purchase in the same places, namely in off-licences, newsagents, supermarkets, duty-free shops in airports, as well as in pubs in the UK.'

16. I agree with the opponent that, insofar as alcoholic beverages, cigarettes and tobacco are concerned, their sale is restricted in the UK to those over the age of 18. Soft drinks may be bought by those of any age. To the extent that some people who buy beverages will also be smokers, there is some potential overlap in the users of the goods.

17. Beverages, whether alcoholic or otherwise, are in liquid form and bought, primarily, to drink so as to quench a thirst though I accept, in the case of alcoholic or energy drinks, that for some, the particular content and after-effects of consuming the same is a factor in the purchasing process. The holder's goods are not liquids but are goods for smoking. Whilst the smoker is likely to take various things into his/her body as a result of lighting and smoking cigarettes or tobacco, these goods are not

'consumed' in the sense that they themselves are taken into the body. Whilst some of the respective goods may provide a 'hit' of some sort to the consumer or aid relaxation, their uses and physical natures differ markedly.

18. I accept that the respective goods may be sold in the same premises but their methods of production differ and there is no evidence they reach the market through the same channels. In e.g. a supermarket or off licence, beverages, whether alcoholic or otherwise, are bought from the shelves by self-selection whereas cigarettes and tobacco will be kept in a different part of the store and, as they are subject to legal restrictions that they are stored out of view behind screens of some sort, they are not visible to potential consumers or available for self-selection but must be asked for and then supplied by a member of staff. I accept that in e.g. pubs and clubs the respective goods may both be available from behind the same bar, however the same restrictions apply so cigarettes and tobacco (if sold at all) will not be visible to a potential purchaser whereas beverages will be, whether on a shelf, in a fridge or displayed on a dispenser of some description.

19. Despite the fact that beverages on the one hand and tobacco products on the other may each be purchased from the same pubs and drunk/smoked in the beer garden, I do not consider that this means the respective goods are complementary. Indeed the processes, materials and skills

required to produce and market tobacco products on one hand and beverages on the other are so different that consumers are very unlikely to believe that they are marketed by the same or related undertakings. I have no hesitation in finding the respective goods are dissimilar.

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

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

21. As I have found the respective goods to be dissimilar there is no likelihood of confusion."

The opponent now contends, on appeal under section 76 of the 1994 Act, that the Hearing Officer's decision as to the absence of similarity between the goods in issue was wrong and should be set aside. The question for determination on this appeal is, in essence, whether it was open to the Hearing Officer, on the evidence and materials before her, to conclude, as she did, for the reasons she gave, that Mr. Marin's request for protection of the

International Trade Mark Registration was not caught by the opponent's objection under section 5(2) (b).

Both as between marks and as between goods and services, the evaluation of "similarity" is a means to an end. It serves as a way of enabling the decision taker to gauge whether there is "similarity" of a kind and to a degree which is liable to give rise to perceptions of relatedness in the mind of the average consumer of the goods or services concerned. This calls for a realistic appraisal of the net effect of the similarities and differences between the marks and the goods or services in issue, giving the similarities and differences as much or as little significance as the relevant average consumer, who is taken to be reasonably well-informed and reasonably observant and circumspect, would have attached to them, at the relevant point in time.

The factors conventionally taken to have a particular bearing on the question of "similarity" between goods and services are referred to indicatively and not exhaustively in Case C-39/97 *Canon KK* at paragraph 23 and paragraphs 44 to 47 of the Opinion of the Advocate General in that case. More than just the physical attributes of the goods and services in issue must be taken into account when forming a view on whether there is a degree of relatedness between the consumer needs and requirements fulfilled by the goods or services on one side of the issue, and those fulfilled by

the goods or services on the other. The relatedness or otherwise of the trading activities involved in the comparison is ultimately a matter of consumer perception. That is recognised in the case law of the general court relating to "complementarity" as an element to be considered in the context of the overall assessment of "similarity".

There is "complementarity" when the goods or services in issue are closely connected in the sense that one is indispensable or important for the use of the other, in such a way that consumers may think that the same undertaking is responsible for manufacturing those goods or providing those services. A finding of no similarity may legitimately be made, despite the existence of a degree of complementarity, if that complementarity is not sufficiently pronounced for it to be accepted that from the consumer's point of view the goods are similar within the terms of section 5(2)(b).

The factors upon which the opponent relies in support of its contention that there should have been a finding of at least some similarity between the goods in issue are summarised in paragraphs 9 to 33 of its skeleton argument for this hearing. Those paragraphs are reproduced in Appendix A to this decision. I understand that the factors to which they refer were, in substance, presented to the Hearing Officer for consideration in the course of argument in the proceedings below. It can be seen that they are factors identified and expressed at a relatively high level

of abstraction. They could well be material for the purposes of an objection to registration under section 5(3) of the Act, based on a claim for extended protection, or under section 5(4)(a) of the Act, based on a claim for protection linked to the law of passing off.

However, for the purposes of an objection to registration under section 5(2)(b) they must be sufficient to establish a basis for maintaining that the goods in issue are what may be termed "kindred goods", the nature or characteristics of which or the nature or characteristics of commerce in which are such that a single economic undertaking would naturally be regarded as directly or indirectly responsible for providing goods of the kind in question.

I have carefully considered the matters referred to in the opponent's skeleton argument and orally at the hearing before me. Having done so, I am not persuaded that they are sufficient to maintain a claim for similarity in the way I have referred to, or that they are sufficient to establish that it was not open to the Hearing Officer to come to the conclusion she did on the evidence and materials before her. The appeal is therefore dismissed.

I have no reason to believe that the respondent to the appeal has incurred any or any significant costs in connection with it. The appeal is, therefore, dismissed with no order for costs. I think that concludes it for

today.

MS. COLLIS: Thank you very much.

THE APPOINTED PERSON: Thank you very much for your patience.

Feel free to go. I have to get ready for another hearing.

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APPENDIX A

SKELETON ARGUMENT ON BEHALF OF

ENERGY BEVERAGES LLC

Paras. 9 to 33

Comparison of the goods

9. Although the Hearing Officer referred to the *Canon* and *Treat* factors for assessing similarity, she did not go on to fully consider or correctly apply these factors, and in some instances she conflated multiple factors.

The nature of the goods

10. The Hearing Officer concentrated on the physical nature of the goods at issue in concluding that they have different natures. The nature of goods is broader than this and can encompass issues such as how they are described or categorised. The goods at issue can all be categorised as recreational consumer products for consumption, and therefore can be said to be similar in nature.
11. In assessing the Appellant's goods the Hearing Officer found that beverages, whether alcoholic or otherwise, are in liquid form, and that the Respondent's goods are not liquids, but goods for smoking. This approach is incorrect for several reasons.
12. First, the Hearing Officer neglected to consider the Appellant's goods which are not in liquid form (for example, powders for making beverages, pastilles for effervescing beverages, and powders for effervescing beverages). These goods clearly share some physical similarities with the Respondent's dry goods. In particular, powders and tobacco share some physical similarities.
13. Second, the Hearing Officer neglected to consider that many of the Appellant's goods are constituent parts designed to be used in combination with other parts in order to make beverages (for example, syrups, concentrates and powders for making beverages, essences for making beverages, extracts of hops for making beer, pastilles for effervescing beverages, powders for effervescing beverages, preparations for making beverages, preparations for making liqueurs, etc.). Likewise, many of the Respondent's goods are constituent parts designed to be used in combination with other parts in order to make cigarettes (for example, cigarette filters, cigarette paper and tobacco).
14. Third, the Hearing Officer neglected to consider the fact that the Respondent's 'tobacco substitutes' encompasses electronic cigarettes products, including e-liquids (which are clearly liquids).
15. Fourth, the Hearing Officer was wrong to find that cigarettes and tobacco products are not consumed. Although cigarettes are clearly not eaten or drunk, the process of smoking a cigarette or other products incorporating tobacco involves the consumer inhaling smoke and

nicotine, resulting in nicotine entering the consumer's bloodstream. Likewise, the Respondent's goods are consumed with the effect that certain products, such as caffeine, alcohol and sugar, enter the consumer's bloodstream.

Intended purpose

16. The Hearing Officer acknowledged that the respective goods all provide a "hit" of some sort to the consumer, however she conflated this factor with the nature of the products and did not give proper consideration to this factor.
17. Tobacco products and (i) beer and (ii) energy drinks are all recreational substances which are consumed by consumers in order to alter their physiological and emotional state.
18. Cigarettes and other tobacco products are consumed for the purposes of enjoyment, and act both as stimulants as well in order to aid the relaxation of the consumer. Beer is also consumed for the purposes of enjoyment, and also acts both as a stimulant as well as to aid the relaxation of the consumer. Energy drinks and other beverages that are high in sugar content are likewise consumed for the purposes of enjoyment, and act as a stimulant.
19. Further, the Hearing Officer neglected to consider that non-alcoholic drinks and tobacco substitutes are often used by consumers for the same purpose, namely as substitutes for, and in order to "wean off", other products, namely alcoholic drinks and tobacco products.

In competition or complementary

20. The Hearing Officer neglected to give any consideration to whether the respective goods are in competition with one another.
21. As set out above, all of the respective goods are used by consumers for the same purpose, namely to alter their physiological and emotional state. Therefore these goods may often be in competition with one another; a consumer may choose beer or an energy drink over a cigarette or tobacco product as they provide the consumer with the same or a similar desired after-effect.
22. The Hearing Officer identified that complementarity is an autonomous criteria capable of being the sole basis for the existence of similarity between goods, and that case law has confirmed that it is not necessary for a finding of similarity that the goods in question must be used or sold together; however, the Hearing Officer did not go on to correctly apply the law to the respective goods.
23. It is well-known (and indeed the Hearing Officer accepted) that beverages, including beer, and cigarettes are often purchased and consumed at the same time, for example in beer gardens of pubs. However, the Hearing Office neglected to give this point any further consideration.
24. As the Hearing Officer set out, the purpose of examining whether there is a complementary relationship between respective goods (and services, where relevant) is to assess whether the relevant public are liable to believe that responsibility for the goods (or services) lies with the same undertaking or with economically linked undertakings.

25. The Hearing Officer neglected to consider the fact that beverages and cigarettes can be purchased from and consumed in the same place means that there is a risk that consumers will believe that such goods derive from the same or linked undertakings.

The relevant consumer

26. The Hearing Officer acknowledged that the sale of alcoholic beverages, cigarettes and tobacco in the UK is currently restricted to consumers over the age of 18, and that there is therefore a potential overlap in the users of the respective goods. However, the Hearing Officer neglected to further consider the relevance of this factor to the overall assessment of the similarity of the goods.
27. In addition, the Hearing Officer neglected to consider that it has recently been proposed by the UK government that age restrictions are imposed on the sale of energy drinks in the UK (either to consumers over the age of 16 or 18), as a result of the levels of caffeine and sugar in energy drinks.

Trade channels

28. The Hearing Officer accepted that the respective goods may be sold in the same premises, including behind the same bar in pubs and clubs.
29. However, the Hearing Officer was wrong to find that in supermarkets and offlicences, beverages, whether alcoholic or otherwise, are chosen from shelves by selfselection, whereas cigarettes and tobacco are kept in a different part of the store out of view. In fact, cigarettes and certain alcoholic beverages are often all kept behind the tills in newsagents and off-licences as sales of all of these goods in the UK are restricted to consumers over the age of 18.
30. The Hearing Officer was also wrong to find that although the respective goods may be available from behind the same bar in pubs and clubs, beverages will be visible whereas tobacco products will not. In fact, many beverages are often not visible and need to be requested by name. Further, and as the Hearing Officer neglected to consider, it is not possible to self-select any type of beverage (including alcoholic and non-alcoholic beverages) or tobacco product in a pub or club, and that in all cases the consumer will need to ask for the product by name.
31. The Hearing Officer neglected to consider that tobacco substitutes, for example electronic cigarettes, nicotine gum and nicotine patches, are available for selfselection in supermarkets and pharmacies. Non-alcoholic beverages, including energy drinks, are also available for self-selection in supermarkets and pharmacies.
32. Furthermore, the Hearing Officer neglected to consider the fact that in duty-free shops in airports both tobacco products and alcoholic beverages are available for selfselection, and are usually displayed next to one another.

Overall assessment of similarity

33. As a result of her failure to properly consider all of the above factors, the Hearing Officer wrongly concluded that there was no similarity between the respective goods.