

**O/921/22**

**TRADE MARKS ACT 1994**

**TRADE MARK APPLICATION No. UK00003520508**

**BY BULLARDS HOLDING COMPANY LIMITED**

**AND**

**OPPOSITION No. 423823**

**BY RED BULL GMBH**

## Background and pleadings

1. This is an opposition by Red Bull GmbH (“the opponent”) to an application filed on 7<sup>th</sup> August 2020 (“the relevant date”) by Bullards Holding Company Limited (“the applicant”) to register BULLARDS and BULLARD’S as a series of two trade marks in relation to a wide range of goods/services, including the following goods in classes 32 and 33:

Class 32: Beers; Non-alcoholic beverages; Mineral and aerated waters; Fruit beverages and fruit juices; Syrups and other non-alcoholic preparations for making beverages; ales; stouts; porter; lager; ginger beer; malt beer; root beer; energy drinks; shandy.

Class 33: Alcoholic beverages, except beers; Alcoholic preparations for making beverages; alcoholic beverages, including distilled spirits; gin, vodka and whisky; wines; alcoholic aperitifs; alcoholic cocktails; alcoholic essences; alcoholic extracts; ready to drink alcoholic beverages; liqueurs.

2. The opposition was originally directed at a subset of the goods in class 32, namely:

Non-alcoholic beverages; Mineral and aerated waters; Fruit beverages and fruit juices; Syrups and other non-alcoholic preparations for making beverages; energy drinks.

3. The opponent subsequently limited the opposition to *non-alcoholic beverages* and *energy drinks*. Whilst the opposition goes wider, I think it is fair to say that since the amendment the central focus of the opposition has been on the registration of the contested marks for *energy drinks*.

4. I will return to the specific pleadings later, but the opponent’s case, in summary, is that:

- (i) It is the owner of three earlier marks (shown below) each of which consists of, or includes, the word BULL;
- (ii) The earlier marks are registered for, amongst other things, energy drinks and non-alcoholic beverages;

- (iii) Each of the earlier marks, especially the RED BULL mark, has a reputation in the UK and EU, and they are highly distinctive of energy drinks and other non-alcoholic beverages;
- (iv) There is a high degree of visual and aural similarity between the contested marks and the earlier marks, and they are conceptually identical;
- (v) There is a likelihood of direct confusion between the marks, and indirect confusion in the sense that consumers will take the contested marks as variants of its RED BULL/BULL marks and therefore be led to believe they are used by the same, or connected, undertaking(s);
- (vi) Use of the contested marks would, without due cause, take unfair advantage of, and/or be detrimental to, the reputation and/or distinctive character of the earlier marks;
- (vii) Consequently, registration of the contested marks would be contrary to sections 5(2) and/or 5(3) of the Trade Marks Act 1994 (“the Act”).

The earlier marks

Earlier TM number	Mark	Filing or priority date
EU15288186	<b>Bull</b>	1 <sup>st</sup> April 2016
UK801524386	<b>Bull</b>	13 <sup>th</sup> August 2019

5. The applicant filed a short counterstatement simply denying the grounds of opposition. I note that this included a denial of the opponent's claim that the earlier marks have a reputation in the UK. The opponent was put to proof of such reputation. No positive case was made that the applicant had 'due cause' to use the contested marks.

### **The evidence**

6. The opponent's evidence consists of a witness statement dated 21<sup>st</sup> December 2021 (with 12 exhibits) by Jorge Casals, who is the opponent's Regional IP Counsel, Europe. The purpose of Mr Casals' evidence is to show that:

- (i) The earlier RED BULL mark has a substantial reputation in the UK/EU for energy drinks;
- (ii) The opponent has diversified its branding to include, inter alia, energy drinks marketed under the BULL logo mark registered as UK801524386;
- (iii) The opponent also sells other non-alcoholic beverages.

7. Mr Casals' statement also includes submissions as to the likely effects of the applicant's proposed use of the contested marks in relation to energy drinks. These partly mirror separate written submissions filed at the same time by the opponent's legal representatives.

8. There is no evidence from anyone at the applicant itself. The only evidence filed on its behalf is a witness statement dated 14<sup>th</sup> April 2022 (with 12 exhibits) from Jacqueline Tolson. Ms Tolson is a Chartered Trade Mark Attorney at IP21 Limited, which represented the applicant at the time. Ms Tolson's statement consists of the results of research she conducted via the internet into a company called Bullard and Sons, which traded in Norwich for over a hundred years in beers, wines and spirits. It closed in the 1960s. Ms Tolson's evidence also tells me that this old business is referenced on the applicant's website. The specific relevance of this evidence was not made clear at the

time it was filed. I now understand it is supposed to inform the tribunal as to the applicant's probable purpose in adopting and seeking to register the contested marks.

## **Representation**

9. The opponent has been represented throughout by Foot Anstey LLP. Shortly before the hearing mentioned below, the applicant changed its representatives from IP21 Limited to Novagraaf UK Limited.

10. A hearing took place (remotely) on 22<sup>nd</sup> September 2022. Mr Jonathan Moss appeared as counsel for the opponent. Mr Aaron Wood of Brandsmiths appeared on behalf of the applicant.

## **The section 5(2) ground of opposition**

11. Section 5(2)(b) of the Act is as follows:

*“5(2) A trade mark shall not be registered if because-*

*(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 of association with the earlier trade mark”.*

12. Section 5A states:

*“5A. [...] Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”*

13. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. That is why this decision continues to refer to retained EU trade mark law.

## Global assessment of the likelihood of confusion

14. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, and *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P.

### *The principles*

(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) 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;

(g) 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;

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

(i) 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;

(j) 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

15. None of the earlier marks are subject to proof of use under section 6A of the Act. Consequently, the opponent can rely on the earlier marks for all the goods for which they are registered, regardless of whether or not the marks have yet been used in relation to all those goods. This includes non-alcoholic beverages.

16. Energy drinks and non-alcoholic beverages are identical to the goods the opponent opposes in class 32 of the application.

#### Average consumer and the selection process

17. The average consumer of energy and non-alcoholic drinks is likely to be a member of the general public. The opponent submits that such a consumer will not pay much

attention when selecting these goods.<sup>1</sup> The case law set out above indicates that average consumers are deemed to be “*reasonably circumspect and observant.*” It is true that the level of attention paid by average consumers may vary depending on the type of goods or services involved. Energy drinks and other non-alcoholic beverages may sometimes be impulse purchases bought without as much attention as would be paid when selecting many other goods/services. Therefore, I accept that the goods at issue are likely to be selected with a below-average (but still reasonable) degree of attention.

18. In my experience, energy drinks and non-alcoholic beverages are typically selected by visual means, from a shelf in a shop or supermarket.<sup>2</sup> However, they may sometimes be the subject of oral orders, e.g. in bars and restaurants. Therefore, in assessing the likelihood of confusion the way the marks look is important, but the way they sound must also be taken into account.

#### Distinctive character of the earlier marks

19. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, 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*

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<sup>1</sup> Opponent’s skeleton argument, paragraph 27

<sup>2</sup> Hearing Officers are entitled to rely on their general knowledge where everyday goods are concerned: *esure Insurance Ltd v Direct Line Insurance Plc* [2008] EWCA Civ 842



*registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see Windsurfing Chiemsee, paragraph 51).”*

20. The earlier marks are not descriptive or even allusive of any characteristic of energy drinks or non-alcoholic beverages. According to the opponent, the earlier marks are the only energy drinks on the UK market with a trade mark relating to a bull animal. There is no evidence that supports (or contradicts) this claim. The opponent further submits that the RED BULL mark is inherently highly distinctive because it is fanciful (real bulls not being red), and that the mark has become extremely distinctive through use.

21. I accept that RED BULL is extremely distinctive for energy drinks. The evidence indicates that the opponent spends around €14 – 15m per annum promoting the product in the UK, including TV, radio and cinema advertising. More than 500m units of RED BULL were sold in the UK in 2019, and again in 2020. RED BULL is the UK market leader for energy drinks holding 33% of the market.

22. I accept that RED BULL is a fanciful term, and therefore an inherently highly distinctive mark for non-alcoholic drinks.

23. The evidence about RED BULL being used for any other non-alcoholic drinks is sparse. Mr Casals says the mark is used in relation to a range of drinks called ORGANICS BY RED BULL. He shows pictures of ginger ale and cola drinks (on which the words RED BULL are not clearly visible). Mr Casals says the cola drink was first shipped to the UK in 2008. He does not provide any sales figures, or details of any promotion of the product, or even confirm that it has been on sale continuously in the UK since 2008. Consequently, there is no evidential basis for concluding that any significant part of the UK public associate RED BULL with cola drinks. Mr Casals does not say whether, or when, the ginger ale drink shown in his statement was first placed

on the UK market, but nothing appears to turn on this because the opponent has not opposed the registration of the contested marks in relation to *ginger beer*.

24. There is no evidence of any use of the slightly stylised BULL word mark registered as EU15288186. Unlike RED BULL, it is not fanciful. In my view, this mark has a 'normal' or medium degree of inherent distinctive character.

25. In my view, the BULL logo registered as UK801524386 (or at least the BULL word element of it) also has a 'normal' or medium degree of inherent distinctive character. There is some evidence of use of the BULL logo in relation to energy drinks. Mr Casals says the mark was first used in the UK in 2016 in relation to an "*exclusive drink*" now marketed via Cash & Carry stores. 11k units were sold in 2016 and another 10k in 2020. There is no evidence about the amount spent promoting this product. The use shown appears somewhat token, especially by comparison with the scale of the use of the RED BULL mark. The UK801524386 mark is therefore unlikely to have come to the notice of a significant part of the UK public. Consequently, the distinctiveness of this mark has not been enhanced to any significant extent through use.

26. I recognise that it is possible for a trade mark to acquire distinctive character through its use as part of another trade mark.<sup>3</sup> Further, although the enhanced distinctive character of a composite trade mark, such as RED BULL, does not automatically attach to its constituent parts, it cannot be ruled out that the enhanced distinctive character of a composite mark may feed through to part of the mark.<sup>4</sup> Consequently, it is also necessary to consider whether the enhanced distinctive character of RED BULL (EU17363094) has enhanced the distinctive character of the slightly stylised BULL word mark (EU15288186) and the BULL logo (UK801524386).

27. Notwithstanding the fact that RED BULL has a fanciful meaning which BULL alone does not, I think it highly likely that BULL is more distinctive of the opponent's energy drinks because of its extensive use of RED BULL than it would have been without such use. Consequently, whilst the opponent's BULL marks are clearly not as distinctive as the mark it has actually used on a massive scale (RED BULL), I find that BULL is of above average distinctiveness as a result of such use. And as the word

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<sup>3</sup> *Société des Produits Nestlé SA v Mars UK Ltd*, Case C-353/03, CJEU

<sup>4</sup> See *China Construction Bank Corp v EUIPO* Case T-665/17, General Court at paragraphs 51 & 52

BULL constitutes (at the least) the dominant element of trade marks EU15288186 and UK801524386, I apply this finding to both those marks.

### Comparison of marks

28. The difference between the contested marks BULLARDS and BULLARD'S is negligible. It is the sort of difference that is likely to go unnoticed by average consumers. Therefore, for the sake of simplicity I will limit my comparison of the marks to the BULLARDS mark. However, my findings will apply equally to BULLARD'S.

29. I will start by comparing BULLARDS with the slightly stylised BULL word mark registered as EU15288186. The applicant submits that none of the earlier marks are similar to BULLARDS. The opponent says BULL and BULLARDS are highly similar from a visual and aural perspective because BULL- is the most prominent part of BULLARDS. I accept that because consumers read from left to right, the BULL- element of BULLARDS will be seen and heard first, which generally means that it will make the most impact. I also accept that consumers sometimes pronounce the beginnings of words more clearly than the ends. This means that there is a certain degree of visual and aural similarity between these marks. On the other hand, BULLARDS is twice as long as BULL (8 letters v 4) and has two syllables (BULL-ARDS), whereas BULL has only one, although I accept that the final letter of BULLARDS (S) has a soft sound which could be easily lost or missed in oral orders. Overall, I find there is a moderate degree of visual and aural similarity between the marks.

30. I find that the BULL logo registered as UK801524386 is aurally similar to the BULLARDS mark to the same degree as EU15288186. It is slightly less similar to BULLARDS from a visual perspective. This is because it includes stylisation in the form of a pair of horns protruding from the top letter 'L', which has no counterpart in BULLARDS. There was some discussion at the hearing as to whether the orientation of the earlier mark matters. I do not think it does. This is because (1) consumers are used to seeing word marks applied vertically to tall containers and make the necessary visual adjustments, and (2) containers for drinks are often placed on their side, in which case the earlier mark will appear in a horizontal position.

31. The opponent accepts that RED BULL is less similar to BULLARDS than the BULL marks. This is plainly correct. The beginnings and the ends of these marks are clearly different. The only visual or aural similarity is that the second word (and syllable) in RED BULL appears at the beginning (and as the first syllable) of BULLARDS. In my view, there is only a low degree of visual or aural similarity between these marks.

32. The opponent submits that all three of the earlier marks are conceptually similar to BULLARDS. This is said to be because the concept of a bull (animal) pervades the earlier marks, and the name BULLARD is derived from the occupational name given to someone who looked after bulls. According to Ancestry.co.uk<sup>5</sup> (quoting the Dictionary of American Family Names as its source), the name BULLARD was probably derived from BULWARD or, alternatively, it may be a nickname for a fraudster or a rotund man derived from the Old French word 'boule'. The US website houseofnames.com indicates that Bullard is an ancient name with its origins in ancient Anglo Saxon culture in the UK.<sup>6</sup> According to this reference, it is derived from the Old English word Bulluc, meaning bull herder. Ms Tolson cites two examples of well-known people called Bullard. The first is Sir Edward Bullard, who was born in Norwich in 1907 and died in California in 1980. He is credited as the co-founder of marine geophysics.<sup>7</sup> The second is a supporting character from the TV crime series Midsomer Murders by the name Dr George Bullard.<sup>8</sup>

33. Both sides submissions appear to be predicated on the basis that BULLARDS will be recognised as the plural form of the surname BULLARD. I accept that many, although not all, average consumers will probably see (or hear) the mark this way. Those that do not will not give it any clear meaning. I do not accept that those average consumers who recognise the surnominal significance of the mark will understand it to be derived from Bulward or Bulluc and/or to mean bull herder/minder. It is well established that the mere fact that the meaning of a word appears in an English dictionary does not mean that it will be widely understood by the ordinary English-speaking public.<sup>9</sup> In this case the evidence as to the meaning of Bullard does not come from English dictionaries, but references about the origins of the name on US

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<sup>5</sup> See exhibit JC12

<sup>6</sup> See exhibit JT9

<sup>7</sup> See exhibit JT10

<sup>8</sup> See exhibits JT11 and JT12

<sup>9</sup> See *Wunderkind Trade Mark* [2002] RPC 45

websites. Apart from supporting my finding that many average consumers will recognise Bullard (and, by extension, Bullards) as a surname, this evidence tells me nothing about average consumers understanding of the origins or meaning of the name. In my view, it is most unlikely that anyone other than a student of the history of family names will understand BULLARD(S) to mean bull herder(s). Consequently, I reject the opponent's submission that the contested marks are conceptually similar to the earlier marks because they all have something to do with bulls.

34. In the alternative, the opponent submits that there is some conceptual similarity between the marks simply because BULL and BULLARD are surnames. That argument clearly cannot apply to RED BULL. I accept that BULL is a relatively uncommon surname and this is one of its possible significances. I doubt that significance would be apparent to average consumers looking at the Bull logo registered as UK801524386. This is because the addition of horns to the word Bull points so much more strongly to its better known significance as the name of a bull animal. However, even if the surnominal significance of BULL and BULLARDS is apparent to average consumers, I do not accept that this creates any relevant conceptual similarity between the marks at issue. As Mr Wood submitted at the hearing, the suggested conceptual similarity is at too high a level of generality to impact positively on the likelihood of confusion. A similar point was considered and rejected by Mr Iain Purvis QC as the Appointed Person in *Argon Consulting & Management Limited V Jt International S.A.* in the context of the geographical names Dorchester and Rochester.<sup>10</sup> Mr Purvis said:

*“43. In the present case, at a high level of generality, each mark could theoretically be said to convey the same concept – a town, or perhaps a town in Southern England. However, I do not believe that this is a reasonable way to understand the way in which the individual marks would strike the average consumer. The concept of JT’s mark is the town of Dorchester, not any old town in Southern England. It is clear and specific. The concept of the Proprietor’s mark is the town of Rochester. Once again, that is clear and specific and is a different concept from Dorchester. The conceptual difference will tend to reduce any risk of confusion. It is not necessary to establish any particular knowledge*

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<sup>10</sup> BL O/049/17

*on the part of the average consumer about either town – no doubt each would give rise to different associations to different people. The point is that the concepts are specific and different because the towns are specific and different.”*

35. Similarly, if average consumers recognise that both Bull and Bullard are surnames, they will appreciate that they are different surnames, which usually point to different people/undertakings. I therefore reject the opponent’s alternative case that the purely surnominal concept of BULLARDS is in any material way the same or similar to the purely surnominal concept of BULL.

36. I find that those average consumers who recognise BULLARDS as the plural form of the surname Bullard will see the earlier BULL and RED BULL marks as having an entirely different concept, i.e. the concept of a bull (animal) or the fanciful idea of a bull coloured red. Those average consumers who do not see BULLARDS as a name are unlikely to attach any meaning to the word. Consequently, to those consumers the BULL and RED BULL marks will evoke clear concepts, whereas BULLARDS will appear to be a word with no clear meaning.

#### Likelihood of confusion

37. On behalf of the opponent, Mr Moss submitted that I should take into account that (1) the opponent has used different get-up and sub-brands for its RED BULL energy drinks, (2) normal and fair use of the contested marks would include the use of similar get-up, specifically the blue and silver trade dress typically used on cans of RED BULL, and (3) the opponent has also used the BULL logo registered under UK801524386.

38. It is well established that when assessing the likelihood of confusion under section 5(2) it is necessary to consider all the circumstances in which the mark applied for might be used if it was registered.<sup>11</sup>

36. In *J.W.Spear & Sons Ltd and Others v Zynga Inc.*,<sup>12</sup> Floyd L.J. considered the CJEU’s judgment in *Specsavers*, Case C-252/12, which it was submitted

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<sup>11</sup> *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*, Case C-533/06, CJEU

<sup>12</sup> [2015] EWCA Civ 290

established that matter used with, but extraneous to, the earlier mark should be taken into account in assessing the likelihood of confusion with a later mark. The judge rejected this submission as follows:

*“46. Mr Silverleaf submitted that, in the light of this guidance, the proposition stated by Jacob LJ in L’Oreal can no longer be regarded as representing the law. He starts by recognising that acquired distinctiveness of a trade mark has long been required to be taken into account when considering the likelihood of confusion. He goes on to submit that Specsavers in the CJEU has made it clear that the acquired distinctiveness to which regard may properly be had included not only matter appearing on the register, but also matter which could only be discerned by use. The colour, on which reliance could be placed in Specsavers, was matter extraneous to the mark as it appeared on the register. It followed that if something appears routinely and uniformly in immediate association with the mark when used by the proprietor, it should be taken into account as part of the relevant context.*

*47. I am unable to accept these submissions. The CJEU’s ruling does not go far enough for Mr Silverleaf’s purposes. The matter not discernible from the register in Specsavers was the colour in which a mark registered in black and white was used. It is true that in one sense the colour in which a mark is used can be described as “extraneous matter”, given that the mark is registered in black and white. But at [37] of its judgment the court speaks of colour as affecting “how the average consumer of the goods at issue perceives that trade mark” and in [38] of “the use which has been made of it [i.e. the trade mark] in that colour or combination of colours”. By contrast Mr Silverleaf’s submission asks us to take into account matter which has been routinely and uniformly used “in association with the mark”. Nothing in the court’s ruling requires one to go that far. The matters on which Mr Silverleaf wishes to rely are not matters which affect the average consumer’s perception of the mark itself.”*

37. The sub-brands (such as EDITIONS) and get-up associated with RED BULL are extraneous matter to the registered mark, which consists of the words RED BULL in red letters. It would therefore be inappropriate to take this matter into account, whether

as part of the signage associated with RED BULL, or as an example of normal and fair use of the contested marks. As to the opponent's use of the variant BULL mark – the BULL logo – I have already found that the use in question was small scale (and apparently intermittent) and unlikely to have come to the attention of a significant part of the relevant public. Therefore, whilst I will keep this use in mind, I reject the opponent's submission that the average consumer is already familiar with the opponent's use of variant BULL marks without the word RED.

38. The opponent contends there is a likelihood of direct and indirect confusion. The visual and conceptual differences between the earlier marks and the contested marks appear to me to be sufficient to rule out any likelihood of direct visual confusion. This is even after allowing for a certain degree of imperfect recollection on the part of average consumers and the fact that such consumers may pay a less-than-average degree of attention when selecting energy drinks and non-alcoholic beverages. The high point of the opponent's case on direct confusion appears to be that consumers or serving staff will mishear BULLARDS for BULL when energy drinks are ordered in a noisy bar or restaurant environment. In this connection my attention was drawn to the judgment of the General Court in *Stock Polska sp zoo v EUIPO*<sup>13</sup> where the court held that:

*“..when the goods concerned, such as those at issue in the present case, are also ordered verbally for consumption in bars, restaurants or nightclubs, the phonetic similarity between the marks at issue is, by itself, sufficient to give rise to a likelihood of confusion.”*

39. I accept that the likelihood of aural confusion may be sufficient by itself to constitute a likelihood of confusion, even where there is no likelihood of visual confusion. Whether that is so depends, amongst other things, on the degree of aural similarity between the marks (which will determine the extent of the likelihood of aural confusion) and the relative importance of oral orders in the selection of the goods or services.

40. I have accepted that oral orders are a relevant factor in this case. As to the argument that BULLARDS may be misheard as BULL in settings with loud ambient

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<sup>13</sup> Case T-701/15, at paragraph 44 of the judgment



noise, I note that in *Rani Refreshments FZCO v OHIM*,<sup>14</sup> the General Court held that the likelihood of confusion must be assessed on the basis of normal marketing conditions. Therefore, whilst it is appropriate to make some allowance for the fact that energy drinks (and non-alcoholic beverages) are sometimes sold in settings with significant background noise, it is not appropriate to assess the likelihood of confusion in settings with so much noise that consumers cannot make themselves properly heard. Further, even in the case of noisy bars and restaurants, consumers often choose drinks from a list where the mark can be seen. Therefore, whilst it is necessary to consider the effect of all normal and fair use of the contested mark, it is not appropriate to give disproportionate weight to the possibility of orders being misheard because of the degree of noise in noisy bars and restaurants.

41. Notwithstanding the fact that BULL- is the first syllable in BULLARDS, I do not consider it likely that average consumers will shorten BULLARDS to BULL. Nor do I consider it likely that average consumers or serving staff are liable to 'lose' the whole of the second syllable (-ARDS) in BULLARDS in normal marketing conditions. I therefore reject the likelihood of direct aural confusion between the contested marks and the earlier BULL marks. The likelihood of such confusion with RED BULL is even less likely because this mark does not even begin with BULL.

42. According to Arnold LJ in *Liverpool Gin v Sazerac Brands*:<sup>15</sup>

*".. 'indirect confusion', is where the consumers do not mistake the sign for the trade mark, but believe that goods or services denoted by the sign come from the same undertaking as goods or services denoted by the trade mark..."*

43. The opponent's case on indirect confusion is that average consumers who realise the contested marks are different to the earlier marks will think that the presence of BULL- in the former indicates that BULLARDS is a brand extension of the RED BULL and/or BULL marks. The opponent adds that its own variations of branding make this more likely.

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<sup>14</sup> Case T-523/12

<sup>15</sup> [2021] EWCA 1207 para 10

44. I have found that there is only a low degree of visual and aural similarity between RED BULL and BULLARDS. Further, it is well established that where the meaning of at least one of the two supposedly conflicting marks at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them.<sup>16</sup> In my view, the meaning of, on the one hand, a red bull and, on the other hand, an uncommon surname or meaningless word such as Bullards, points strongly away from BULLARDS being perceived as a likely brand extension of RED BULL. Put simply, BULLARDS is not in any way a logical brand extension of RED BULL.

45. As to the argument that the opponent's variations in branding increase the likelihood of BULLARDS being perceived as an extension of RED BULL, I have already noted that, with a single exception, all the opponent's use of BULL is as part of RED BULL. The exception is the very limited use of the BULL logo registered as UK801524386, which is unlikely to have to the attention of a significant section of the relevant UK public. Further, the variations to the get-up of the cans in which the RED BULL product is sold are irrelevant because such get-up forms no part of any of the marks under consideration. Therefore, I do not accept that the opponent's own branding variations create, or significantly add to, the likelihood of average consumers perceiving the contested marks as an extension of the RED BULL brand.

46. For the avoidance of doubt, I would have come to the same conclusion even if it had been shown that a significant section of the relevant public was familiar with the opponent's use of the BULL logo. Despite lacking the fanciful meaning of RED BULL, I would have no difficulty in accepting that BULL would probably be perceived a variant product from the makers of RED BULL. However, BULLARDS is very unlikely to be perceived as a BULL mark because it looks and sounds different, and will not be understood as having a meaning connected with a bull animal. Many average consumers will see no similarity at all between RED BULL and BULLARDS. Others would probably notice that both marks include BULL (albeit as the beginning of another word in the case of RED BULL). However, the mere fact that two marks share a

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<sup>16</sup> *The Picasso Estate v OHIM*, Case C-361/04P, CJEU

common element is not a proper basis on which to base a finding of a likelihood of indirect confusion.<sup>17</sup>

47. For mostly the same reasons, I reject the argument that BULLARDS will be perceived as a brand extension of the BULL logo and/or the slightly stylised BULL word mark. Although the commonality of the BULL- element is more apparent in this comparison, it is offset by the fact that BULL is less distinctive of the opponent than RED BULL.

48. Although the opponent has not specifically asked me to consider it, I have considered the effect of use of contested word marks in red letters. Unlike the get-up on the opponent's cans, this would be an example of normal and fair use of the contested marks.<sup>18</sup> However, I have concluded that differences between the marks are too great for even this to create a likelihood of confusion. That is not to say that the use of BULLARDS, particularly in red letters, in relation to energy drinks, would not cause a significant proportion of average consumers of such products to think about the market leading RED BULL product. However, that is mere association in the strict sense, which does not constitute a likelihood of indirect confusion for the purposes of section 5(2) of the Act.<sup>19</sup>

49. I therefore reject the likelihood of direct or indirect confusion between the respective marks.

50. The opposition under section 5(2) of the Act fails accordingly.

### **The section 5(3) ground of opposition**

51. Section 5(3) of the Act was as follows at the relevant date:

*“(3) A trade mark which-*

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<sup>17</sup> See, for example, *Duebros Limited v Heirler Cenovis GmbH*, Appointed Person, BL O/547/17 and the comments of Arnold LJ about the requirement for a ‘proper basis’ for a finding of indirect confusion in *American Eagle v Eagle Rare* [2021] EWCA 1207

<sup>18</sup> See paragraph 5 of the judgment of the Court of Appeal in *Specsavers* [2014] EWCA Civ 1294 and *J.W. Spear & Sons Ltd v Zynga, Inc.* [2015] EWCA Civ 290, at paragraph 47

<sup>19</sup> Per *Sabel v Puma*, CJEU, Case C-251/95

- a. *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 the repute of the earlier trade mark”.*

52. Questions 3 – 6 on the section 5(3) part of the Notice of Opposition (Form TM7) are intended to flush out the precise basis for the claim that use of the contested mark would take unfair advantage and/or be detrimental to the reputation/distinctive character of an earlier mark. In particular, question 3 asks the opponent to specify if the complaint is that the relevant public will believe that the user of the contested mark is economically connected to the user of the earlier mark. Questions 4 – 6 invite the opponent to specify how else the claimed unfair advantage/detriment would arise. The opponent answered all four questions in the same way. It simply said:

*“See paragraphs 12-20 of the Amended Statement of Grounds”*

53. In fact only paragraphs 18 - 20 of the appended statement purported to particularise the unfair advantage/detriment claim. These paragraphs are set out below.

*“Unfair advantage*

18. *Given the Opponent's leading position in the market for non-alcoholic beverages and energy drinks and its associated activities, it is implausible that the Applicant did not know of the Opponent's reputation in the Earlier Marks especially for energy drinks.*

19. *By using such a similar mark, consumers would confuse the Applicant's goods as those of the Opponent's or believe that the Mark and Earlier Marks are economically connected, especially considering that the goods in the Application are identical or highly similar to non-alcoholic beverages including energy drinks. Not only would consumers encountering the Mark bring the Earlier Marks to mind but the similarity between them is such that it will attract*

*consumers towards it. The Applicant would gain an unfair commercial advantage through the adoption of the Mark because the reputation of the Earlier Marks would accrue to its business through the perceived trade connection and the Mark would be free riding on the reputation of the Earlier Marks in order to gain an advantage. The Applicant's adoption of the Mark would take unfair advantage of the fame of the Earlier Marks and thus unfairly increase the marketability of the goods to be offered under the Mark.*

*20. The use of the Mark by the Applicant would cause detriment to the distinctive character of the Earlier Marks as the use of it would dilute or blur the distinctive character of the Earlier Marks. It would make it more difficult for the Earlier Marks to therefore operate as a trade mark from a single undertaking. The use by the Applicant of the Mark could also cause detriment to the reputation of the Earlier Marks as there would be an expectation on the part of the relevant public that any goods offered under the Mark would be offered by the Opponent or an economically linked undertaking. If the goods provided under the Mark are inferior or did not comply with the Opponent's brand values, it would seriously harm the reputation of the Earlier Marks by reducing their power of attraction and, as a result, customers would be less inclined to purchase the services and goods offered under the Earlier Marks in question.”*

53. No attempt was made to separate and direct these pleadings to the individual questions at 3 – 6 of the appropriate section of the TM7. Nevertheless, it is apparent that paragraphs 18 and 19 set out the opponent's case on unfair advantage. The first sentence of paragraph 20 appears to set out the opponent's case on detriment to distinctive character, and the remainder of that paragraph appears to set out the opponent's case on detriment to reputation. In the circumstances, I will treat these paragraphs as comprising the whole of the opponent's pleaded case under section 5(3).

#### The case law

54. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer*

*v Interflora* and Case 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; *General Motors, paragraph 26*.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

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

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

(f) 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 proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

### Reputation

55. There is no doubt that RED BULL has a qualifying reputation for energy drinks. On the evidence before me it has not been shown to have a qualifying reputation for anything else.

56. There is no evidence that the BULL logo, or the slightly stylised BULL word mark, are known in the form they are registered to a significant part of the relevant public for energy drinks (or anything else). It is true that the BULL element of those marks has probably become more distinctive of the opponent as a result of its very extensive use of RED BULL. However, it would be artificial to say that the BULL marks have acquired

a reputation of their own. Consequently, the section 5(3) ground based on those marks falls at the first hurdle.

### Link

57. As I 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*

58. I have found that there is a low degree of visual and aural similarity between RED BULL and BULLARDS and the marks are conceptually different (i.e. a red bull v the plural form of the name of a person or firm called Bullard). Alternatively, RED BULL has a fanciful meaning, whereas BULLARDS has no clear meaning.

#### *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*

59. The respective goods are identical so far as energy drinks are concerned, and similar so far as other non-alcoholic beverages are concerned. In either case there is a 100% overlap between the relevant public concerned.

#### *The strength of the earlier mark's reputation*

60. I accept that RED BULL has a massive reputation for energy drinks.

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

61. RED BULL is about as distinctive as it is possible to get in relation to energy drinks.

#### *Whether there is a likelihood of confusion*

62. For the reasons already given, there is no likelihood of confusion.



### *Conclusion on link*

63. I find the differences between the marks are such that the relevant public would make no link of any kind between the marks if BULLARDS was used in relation to non-alcoholic beverages (other than energy drinks).

64. I find that the differences between the marks are such that a significant proportion of the relevant public would still not make a link between the marks if BULLARDS was used in relation to energy drinks. However, I find that the reputation and distinctiveness of RED BULL is such that another (also) significant proportion of the relevant public would call RED BULL to mind on seeing (or hearing) BULLARDS used in relation to energy drinks. This is because the mere sight or sound of a mark beginning with BULL- would be enough to trigger a mental association with RED BULL in the thought process of these average consumers.<sup>20</sup> There is no single meaning rule.<sup>21</sup> It follows that where average consumers would react differently to the contested mark it is necessary to consider the reaction of both categories of average consumer.

### Unfair advantage

65. The contested marks plainly cannot derive an unfair advantage from exposure to average consumers who make no link at all between RED BULL and BULLARDS.

66. Unfair advantage can be taken of an earlier mark where there is no likelihood of confusion between it and the later mark. In these circumstances, the unfair advantage is usually the result of the transfer of the image of the earlier mark, or of the characteristics it projects, to the goods/services identified by the later mark. This is often argued to apply in look-alike trade mark cases where there is clear blue water between the word elements of the marks,<sup>22</sup> or cases where the respective goods/services are dissimilar, but use of the later mark is still capable of unfairly exploiting the reputation of the earlier mark.<sup>23</sup>

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<sup>20</sup> The degree of similarity required to create a link between the marks may be less than that required to create a likelihood of confusion: *Intra-Press SAS v OHIM*, CJEU, Joined Cases C-581/13P & C-582/13P

<sup>21</sup> See *Soulcycle Inc v Matalan Ltd*, [2017] EWHC 496 (Ch), Mann J.

<sup>22</sup> See, for example, *Lonsdale Sports Limited v Erol*, [2013] EWHC 2956 (Ch), Norris J.

<sup>23</sup> See, for example, *Claridges Hotel Limited v Claridge Candles Limited and Anor*, [2019] EWHC 2003 (IPEC).

67. The opponent in this case pleads its case differently. It avers that:

*“19. By using such a similar mark, consumers would confuse the Applicant's goods as those of the Opponent's or believe that the Mark and Earlier Marks are economically connected, especially considering that the goods in the Application are identical or highly similar to non-alcoholic beverages including energy drinks. Not only would consumers encountering the Mark bring the Earlier Marks to mind but the similarity between them is such that it will attract consumers towards it. The Applicant would gain an unfair commercial advantage through the adoption of the Mark because the reputation of the Earlier Marks would accrue to its business through the perceived trade connection and the Mark would be free riding on the reputation of the Earlier Marks in order to gain an advantage. The Applicant's adoption of the Mark would take unfair advantage of the fame of the Earlier Marks and thus unfairly increase the marketability of the goods to be offered under the Mark.”*

68. Considered as a whole, I regard this pleading as alleging that the contested marks will gain an unfair commercial advantage as a consequence of the similarity between BULLARDS and RED BULL leading consumers to believe there is a trade connection between their users. This appears to be why it is said that consumers will be attracted to products marketed under the contested marks. This understanding of the pleading is consistent with the submissions in Mr Moss's skeleton argument,<sup>24</sup> the opponent's written submissions dated 21<sup>st</sup> December 2021, and the position taken on the matter at the hearing.

69. Claiming that use of the contested marks in relation to identical goods would cause consumers to believe that there is a trade connection between the user of those marks and the RED BULL mark is effectively an argument that there is a likelihood of direct or indirect confusion. The opponent's pleaded unfair advantage case therefore appears to be predicated on a likelihood of confusion. I have already considered and rejected that case in the course of examining the section 5(2) ground. Having found that there is no likelihood of direct or indirect confusion, I am bound to also reject the

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<sup>24</sup> See paragraph 39 of the skeleton argument filed on behalf of Red Bull

opponent's case that a perceived trade connection with RED BULL will give the contested marks an unfair advantage.

70. There was considerable discussion at the hearing as to whether it was appropriate to draw the inference that the contested marks were intended to take advantage of the reputation and highly distinctive character of RED BULL for energy drinks. Mr Moss submitted that it was appropriate to draw such an inference because:

(1) no evidence from the applicant itself had been provided explaining why it had applied to register the contested marks, especially in relation to energy drinks;

(2) the opponent had written to the applicant on 29<sup>th</sup> June 2022 pointing out the applicant's intention to use BULLARDS was relevant to the issue of unfair advantage/free-riding, and that in the absence of such evidence it would invite the hearing officer to draw an adverse inference from this omission.

71. Mr Wood submitted that no such inference could be drawn because the opponent pleaded case did not allege that the applicant intended to take advantage of the earlier marks. Therefore, it would be unfair to draw an adverse inference from the absence of evidence from the applicant itself denying any such intention. Mr Wood also drew my attention to the evidence from Ms Tolson about the old Bullard's brewery in Norwich, although he accepted this tells me nothing about why the applicant had applied to register the contested marks in relation to *energy drinks*.

72. In reply, Mr Moss pointed out that although the opponent's pleadings do not specifically refer to the applicant's intentions, it was implicit in the allegation of 'free-riding' that the applicant intended to take advantage of the reputation of RED BULL.

73. Given my findings that (1) there is no likelihood of confusion, and (2) this undermines the basis on which the opponent's section 5(3) ground is predicated, there is strictly no need for me to deal with this argument in detail. However, as the parties spent some time on the issue of intent, I will deal with it briefly. The important points are:

1. An allegation of ‘free-riding’ can mean different things, depending on the context in which the words are used;
2. The words ‘free-riding’ can be used to describe a party’s subjective intention or the objective effect of its use of a trade mark;<sup>25</sup>
3. An allegation that a party is attempting to deliberately confuse the customers of another business in order to ‘free-ride’ on the reputation embodied in its trade mark is essentially an allegation of deception;
4. An allegation that, although not attempting to actually confuse consumers, a party is intending to feed off the reputation and image of an earlier trade mark to give its own trade mark a commercial advantage, is essentially an allegation of intentional unfair competition;<sup>26</sup>
5. Although it is not necessary to show the user of the later mark intends to cause confusion or take advantage of an earlier reputed mark in order to make out a case under sections 5(2) and/or 5(3),<sup>27</sup> the courts have long taken into account evidence of an intention to deceive,<sup>28</sup> and the subjective intention of the applicant is relevant to the issue of whether any advantage gained is unfair;<sup>29</sup>
6. An allegation of an intention to deceive is a serious allegation, which should not be made lightly and must be clearly pleaded;
7. An allegation of intentional unfair competition must also be clearly pleaded, especially where the party alleging such an intent seeks to rely on that as a

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<sup>25</sup> See paragraph 33 of the judgment of Johnson J. in *Monster Energy Company v Red Bull GmbH*, [2022] EWHC 2155

<sup>26</sup> See *Whirlpool v Kenwood* [2009] EWCA Civ 753 at paragraphs 112 & 129, which make it clear that was said about unfair advantage in that case relates to non-confusion damage.

<sup>27</sup> *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) at paragraph 80 of the judgment

<sup>28</sup> See, for example, paragraph 115 of the judgment of the Court of Appeal in *Specsavers v Asda Stores* [2012] EWCA Civ 24, which also emphasises the difference between an intention to deceive and “*living dangerously*”, as Mr Moss suggested the applicant was doing in this case.

<sup>29</sup> See *Whirlpool v Kenwood* [2009] EWCA Civ 753 at paragraph 136

material factor in the assessment of whether what the applicant seeks to do is unfair;

8. The use of the words 'free-riding' as they appear in the opponent's unfair advantage pleading do not clearly allege a deliberate attempt to deceive, or a subjective intention to unfairly exploit the reputation and image of the earlier marks;

9. The latter allegation would have been irrelevant anyway because the opponent's case is predicated on a likelihood of confusion as to the trade source of the applicant's goods, and the relevant intention (if any) would therefore have been an intention to gain an advantage through causing such confusion;

10. The opponent's letter to the applicant dated 29<sup>th</sup> June 2022 did not cure the omission of a specific allegation of intent in the opponent's pleadings, not least because it did not make it clear what type of adverse inference the opponent would invite the hearing officer to draw in the absence of evidence from the applicant itself;

11. The opponent's written submissions dated 21<sup>st</sup> December 2021, paragraph 44 of which did characterise the applicant's behaviour as "*..clearly an attempt to attract consumers towards its goods by way of the Opponent's reputation in the RED BULL Earlier Mark*", did not cure the omission of such an allegation from the opponent's pleadings either because it was tucked away in the body of a long written argument, and no application was made to amend the pleadings to include this express allegation.

74. Therefore, although I agree that the applicant's failure to file evidence from someone with first-hand knowledge of why it has applied to register the contested marks for *energy drinks* is surprising, and understand why this has given rise to justifiable suspicions about the applicant's intentions, I would not have considered it appropriate to draw any adverse inferences from this omission, even if the applicant's subjective intention was relevant to the opponent's pleaded case.

Detriment to the reputation of the earlier mark

75. I remind myself that the opponent's case under this heading is:

*“The use by the Applicant of the Mark could also cause detriment to the reputation of the Earlier Marks as there would be an expectation on the part of the relevant public that any goods offered under the Mark would be offered by the Opponent or an economically linked undertaking. If the goods provided under the Mark are inferior or did not comply with the Opponent's brand values, it would seriously harm the reputation of the Earlier Marks by reducing their power of attraction and, as a result, customers would be less inclined to purchase the services and goods offered under the Earlier Marks in question.”*

76. Once again, the opponent relies on use of the contested marks causing confusion as to the trade source of the goods marketed under them as the basis for its claim that there is a serious risk of damage to its reputation.

77. The majority of section 5(3) cases concerning the potential sale of inferior goods/services under the later mark are linked to a claim that the later mark will [merely] bring the earlier mark to mind. Such allegations are usually rejected out of hand because the suggested consequences of the mental link between the marks are so speculative.<sup>30</sup> By contrast, I accept that the potential sale of inferior goods/services under BULLARDS would be detrimental to the reputation of RED BULL if consumers believed that BULLARDS was used by the same or an economically connected undertaking. In those circumstances, any negative publicity about the quality of BULLARDS energy drinks would be highly likely to tarnish the reputation of RED BULL: the opponent would effectively lose control of its reputation. In my view, this would represent a serious risk of damage to the reputation of the earlier mark. However, my earlier finding that there is no likelihood of such confusion puts paid to this ground too.

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<sup>30</sup> See *Unite The Union v The Unite Group Plc*, Case BL O/219/13, Ms Anna Carboni as the Appointed Person

## Detriment to distinctive character

78. The relevant part of the opponent's pleaded case is as follows:

*“The use of the Mark by the Applicant would cause detriment to the distinctive character of the Earlier Marks as the use of it would dilute or blur the distinctive character of the Earlier Marks. It would make it more difficult for the Earlier Marks to therefore operate as a trade mark from a single undertaking.”*

79. As I read it, this is the only part of the opponent's section 5(3) case which, arguably, does not depend on a likelihood of confusion between BULLARDS and RED BULL/BULL. I say it is arguable because it is sandwiched between other parts of the section 5(3) pleading which do appear to be predicated on the basis there is a likelihood of confusion. I do not need to decide the precise scope of this part of the pleading because this ground fails on either interpretation of its meaning.

80. If, like the rest of the section 5(3) pleading, it is predicated on a likelihood of confusion about a trade connection between the users of BULLARDS and RED BULL, then my finding that there is no such likelihood of confusion disposes of this ground too.

81. If it is not predicated on a likelihood of any such connection, but just on the use of BULLARDS calling RED BULL to mind, then it fails because:

1. There is no evidence that such a 'bringing to mind' will result in a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered;
2. There is no logical basis on which I can find that there is a serious risk that this will happen in the future.

82. I see no reason why the mere co-existence of RED BULL and BULLARDS for energy drinks would make RED BULL any less distinctive and/or compromise the capacity of RED BULL to distinguish the goods of one particular undertaking. In my view, the marks are too different to make this a real issue.

83. The section 5(3) ground of opposition therefore also fails.

### **Overall outcome**

84. The opposition fails.

### **Costs**

85. The applicant has been successful and therefore would normally be entitled to a contribution towards its costs. The opponent has asked for an off-scale award of costs in its favour. There are two reasons for this. Firstly, the opponent complains that the applicant put it to proof of the reputation of the RED BULL mark when it must have been aware that the mark had a reputation for, at least, energy drinks. Secondly, the opponent says that Ms Tolson's evidence was irrelevant. Accordingly, the opponent says that it has been put to the unnecessary cost of proving the reputation that RED BULL obviously has, and of reviewing Ms Tolson's pointless evidence.

86. For the applicant, Mr Wood asked for an opportunity to make submissions on the opponent's application after it had sight of my decision on the substance of the opposition. I agreed to receive written submissions from the parties on the matter of costs after the hearing.

87. The opponent has already explained its case for off scale costs. I therefore direct that:

1. The applicant has 21 days from the date of this decision to file written submissions on the opponent's request for off scale costs and the appropriate contribution towards its costs arising from the opponent's unsuccessful attempt earlier in the proceedings to add a bad faith ground to its pleadings, and to clarify the applicant's current corporate identity;<sup>31</sup>
2. The opponent has 21 days from the receipt of such submissions to file any written submissions in reply that it wishes to be taken into account.

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<sup>31</sup> The opponent submitted at the hearing that the applicant had changed its name. The applicant was unable to confirm or deny this at the hearing.



I will then issue a decision on costs.

**Status of this decision**

88. This is a final decision on the substance of the opposition. The appeal period starts from the date shown below.

89. The period for appealing my decision on costs will be set once I have made a decision on that matter.

**Dated 25<sup>th</sup> day of October 2022**

**Allan James**

**For the Registrar**