

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO 3 209 850 FOR THE

MARK:  BY KINGSLEY BEVERAGES FZCO IN CLASS 32

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO 409429 BY CROWN
MELBOURNE LIMITED

Background and pleadings

1. Kingsley Beverages FZCO (the applicant) applied to register the trade mark




No 3 209 850:

in the UK on 31st

January 2017. It was accepted and published in the Trade Marks Journal on 3rd March 2017 in respect of the following goods in Class 32:

Non-alcoholic beverages, namely energy drinks, sports drinks and soft drinks; non-alcoholic carbonated beverages; water.

2. Crown Melbourne Limited (the opponent) oppose the trade mark on the basis of, amongst other grounds¹, Section 5(2)(b) of the Trade Marks Act 1994 (the Act). This is on the basis of, amongst others, its earlier International Trade

Mark No 1 268 492:  . The following Class 43 services are, amongst others, relied upon in this opposition:

Hotels, hotel reservations, hotel services, rental of temporary accommodation, accommodation reservations and accommodation bureaux; provision of food and drink; cocktail lounge services; bars; cafes; snack bars; self-service restaurants and restaurant services; catering services; hospitality services; providing facilities for exhibitions.

3. The opponent argues that the respective goods and services are similar and that the marks are similar.
4. The applicant filed a counterstatement denying the claims made.

¹ The opponent also opposes on the basis of Section 5(3), Section 5(4)(a), Section 5(4)(b) and Section 3(6) of the Act.

5. Both sides filed evidence. This decision will focus initially upon the ground of opposition based upon Section 5(2)(b) of the Act. It is noted that the earlier trade mark described above is not subject to the proof of use provisions. Further, that the evidence filed is predominantly concerned with the additional grounds of opposition relied upon. As such, it will not be summarised at this stage, but I will return to it, if necessary.
6. A Hearing took place on 26th September 2018, with the opponent represented by Mr Tom St Quintin of Counsel, instructed by Maguire Boss and the applicant by Mr Andrew Norris of Counsel, instructed by Simmons & Simmons LLP.

DECISION

Section 5(2)(b)

7. 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”.

Comparison of goods and services

8. In the judgment of the Court of Justice of the European Union in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all

the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

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

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

10. The earlier services include the following: *provision of food and drink; bars; cafes; snack bars; self-service restaurants and restaurant services.*

11. The later goods are: *non-alcoholic beverages, namely energy drinks, sports drinks and soft drinks; non-alcoholic carbonated beverages; water.*

12. At the hearing, the applicant argued that the goods in question are not similar to the earlier services, particularly in respect of energy drinks and sports drinks. Case law was provided in support, namely a decision of the General Court in T-33/03 (*Hai*) Osotspa Co. Ltd v OHIM. The reasoning being that energy drinks are products available via supermarket distribution rather than establishments such as cafes and bars which provide food and drink. The opponent, unsurprisingly, disagreed with this and advanced numerous arguments in support of a finding of similarity. The main thrust of this rebuttal was that the *Hai* case is over ten years old and that marketing conditions can change over time. In terms of energy and sports drinks, the opponent argued that whilst these may well have been more specialist products in the past, this is no longer the case and that they are now, in fact, types of soft drinks with the same distribution channels as any other type of soft drink. It is considered that the opponent's position is persuasive in that marketing conditions and distribution channels can and do change over time. It is noted that energy drinks are defined as "a soft drink containing ingredients designed to boost the drinker's energy, especially after exercise"² and a sports drink is "a drink containing sugar and salts, etc designed to help replace fluid and energy lost through the physical exertion of sport"³. These definitions accord with my own understanding of these products.

13. In terms of general purpose, it is considered that the goods and services can coincide. This is because bar and café services provide drinks which aim to quench thirst. This is also true of the later goods. Further, such establishments are often used to sell the later goods. The applicant sought to draw distinctions between energy and sports drinks and other types of soft drinks and between those produced on the premises and those not. It is considered that energy and sports drinks are merely types of soft drinks and their consumption is not restricted so narrowly so as to include only people who have (or are about to) undertake a physical or sporting activity. They are widely available consumables and are commonly offered in bars, cafes and other drink providing establishments. Persuasive support for this can also be

² Collins (online) English Dictionary

³ Collins (online) English Dictionary

found in a recent decision of the Board of Appeal, dated 1st June 2017 (Case R 2103/2016-1) which considered such goods and services to be complementary. Further, cafés and bars commonly offer both drinks that have been produced “in-house” and those that have been sourced ready made. I cannot see therefore how this distinction helps the applicant. All of the later goods are considered to be similar to the earlier services, to a low to medium degree.



Comparison of marks

14. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

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

16. The respective trade marks are shown below:

	
Earlier trade mark	Contested trade mark

17. The later trade mark is a complex mark. The word KINGSLEY is distinctive and appears centrally, in larger font. It is, overall, the dominant feature. That said, the mark also contains a crown device which has no immediately obvious relationship to the verbal elements and is distinctive in its own right. It is also positioned to the centre top of the mark and almost instantaneously catches the eye. The earlier trade mark is comprised solely of a crown device and visually, this is where the trade marks share similarity. It is noted that the respective crowns are not identical. However, they are so highly similar as to be almost identical. The trade marks are considered to be visually similar, overall, to a medium degree.

18. Aurally, the matter is different. The earlier trade mark is most likely to be referred to as “crown”, the latter as “kingsley beverages”. There is no aural similarity.

19. Conceptually, the earlier trade mark is likely to be understood as representing a crown. The later trade mark will be understood as referring to a forename or surname (or possibly a place name). However, the crown device is also clearly visible, will be understood as such and clearly contributes a clear

concept. Kingsley has no connection with this meaning and also stands alone (albeit in conjunction with beverages). Importantly, it does not create a meaning which is obviously dissonant from the crown, (though I accept it is likely to be understood as a place name) and so there is a degree of conceptual similarity. This is pitched as being low overall.

Average consumer and the purchasing act

20. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

21. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

22. The average consumer of these goods and services will be the public at large. The goods are everyday consumables, likely to be purchased infrequently and are not prohibitively expensive. The same analysis is true of many of the earlier services, most notably café services. In terms of these goods and services it is likely that the purchase will be visual in nature. This does not mean that aural considerations are ignored as the goods can also be aurally

requested. The goods in question are purchased frequently, are consumables and usually inexpensive. The same is also true of many café services. A lower than average degree of attention would therefore be expected during the purchasing process.

Distinctive character of the earlier trade mark

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

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

24. The opponent does not claim it enjoys an enhanced degree of distinctiveness in the earlier trade mark relied upon. As such, the prima facie position is to be considered. The earlier trade mark is a device of a crown made up of a series

of dots presented in an ornate manner. It is not a banal device. It is considered that it is distinctive to an average degree.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

25. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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

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

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

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

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

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

26. The goods and services have been found to be similar to a low to medium degree. The level of attention one would expect to be displayed during the purchasing process is at the lower end of the spectrum. The degree of distinctiveness of the earlier trade mark is average. It is true that there are differences between the trade marks, notably that the later trade mark

contains a verbal element (KINGSLEY BEVERAGES) which has no counterpart in the earlier trade mark. Further, though there is similarity visually and conceptually (to varying degrees), there is no aural similarity. As such, it is considered unlikely, even allowing for imperfect recollection and in considering all relevant factors, that the average consumer will mistake one mark for the other. As such, there is no likelihood of direct confusion.

27. However, this is not the end of the matter. I take into account the guidance in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite

mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

28. It is noted that though the respective crown devices are not strictly identical, they are so similar that they almost so. It is noted that at the hearing, the applicant argued that the device in its trade mark was included to denote the spray pattern of a carbonated drink. I take this to mean that this is its relationship with the verbal elements on the mark, particularly “beverages”. I have considered this point carefully, but conclude that such an interpretation is not immediately obvious. Rather, it is more likely than not that the device in the later trade mark will be seen and understood as representing a crown. This device does not have a clear and immediate relationship with the verbal elements of the mark. It is considered that it plays an independent distinctive role within it. Having decided that, the next stage is to consider, having taking into account all the relevant circumstances of the case in respect of confusion, whether or not the average consumer, would consider each of the trade marks in issue here, to have emanated from the same source.

29. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on

the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark".

30. In considering whether there is a likelihood of indirect confusion, I do not ignore the presence of the words KINGSLEY BEVERAGES. They clearly have a visual impact and also ensure an aural departure from the earlier trade mark. However, the words do not achieve the same effect conceptually. There remains a degree of conceptually similarity. This is admittedly low, however the differences in the later trade mark do not result in a conceptual gap. Visually, and despite the verbal elements in the later trade mark, it is considered that the crown device of the earlier trade mark is sufficiently distinctive within the later trade mark. Further, though KINGSLEY is dominant, the crown also has an almost instantaneous eye catching quality due to its position in the mark. Bearing this in mind, it is considered that a consumer, familiar with the earlier trade mark in respect of services for the provision of drinks and upon seeing the later trade mark is more likely than not to conclude that the opponent has extended its trade into the provision of soft drinks, under the name KINGSLEY BEVERAGES. An illustrative example could be the earlier trade mark being used on the front of a café, which also sells beverages bearing the later trade mark. As such, it is concluded that, on balance, a consumer upon seeing the later trade mark, is more likely than not to conclude that it is a brand extension of the earlier trade mark. There is considered to be indirect confusion and the opposition succeeds in its entirety.

Final Remarks

31. As the opposition is successful in its entirety based upon this ground, there is no need to consider the remaining grounds as, having perused the evidence in support in detail, it is considered they do not materially improve the opponent's position.

COSTS

32. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £2000 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Notice of opposition and statement of grounds (plus accompanying fee) -
£500

Preparation of evidence - £750

Preparation for an attendance at a Hearing - £750

TOTAL - £2000

33. I therefore order Kingsley Beverages FZCO to pay Crown Melbourne Limited the sum of £2000. The above sum should be paid within fourteen days of the expiry of the appeal period or, if there is an appeal, within fourteen days of the conclusion of the appeal proceedings.

Dated 20 May 2019

Louise White

For the Registrar