



Neutral Citation Number: [2020] EWHC 124 (Ch)

Claim No: IL-2018-000022

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (Ch D)

Royal Courts of Justice, Rolls Building
Fetter Lane, London EC4A 1NL

Date: 30 January 2020

Before :

Kelyn Bacon QC
(sitting as a Deputy Judge of the High Court)

Between :

RED BULL GMBH

Claimant

- and -

(1) BIG HORN UK LIMITED
(2) VOLTINO EOOD
(3) LYUBOMIR ENCHEV

Defendant

Jacqueline Reid (instructed by **Taylor Wessing**) for the **Claimant**
The **Third Defendant** on his own behalf and on behalf of the First Defendant participated in
person via telephone

Hearing dates: 15–17 January 2020

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

.....

KELYN BACON QC



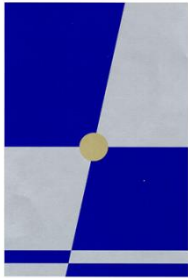



Kelyn Bacon QC (sitting as a Deputy Judge of the High Court):

Introduction

1. The Claimant in these proceedings is the company Red Bull, which is the owner of various highly distinctive trade marks used on, in particular, energy drinks, bottled water and other non-alcoholic beverages. It has brought proceedings against the Defendants for infringement of three of its registered EU trade marks, by using signs similar to the Red Bull trade marks on energy drinks and bottled water, advertised and sold by the Defendants in the UK and elsewhere in the EU.
2. Judgment against the Second Defendant, Voltino (a Bulgarian company), was obtained in October 2019. The trial before me therefore only concerned the First Defendant, Big Horn, and the Third Defendant, Mr Lyubomir Enchev. Big Horn is a UK company that was set up by Mr Enchev in May 2017 to sell the goods that are the subject of these proceedings. Mr Enchev, a Bulgarian national, is the sole director of Big Horn.
3. Red Bull was represented at the trial by Miss Jacqueline Reid. The solicitors representing the Defendants for a short time during 2018 ceased to act for them in August 2018, and since then Mr Enchev has chosen to represent himself and Big Horn. Mr Enchev says, however, that his command of English is very limited. This led to him being assisted (with the permission of the Court) by a McKenzie friend, at a hearing in September 2018 of applications by the Claimant for strike out or summary judgment, and by a translator at the case management conference in June 2019. Since then, however, Mr Enchev's engagement with the proceedings has been patchy. Neither Mr Enchev nor Big Horn complied with the orders for disclosure made at the case management conference, nor did they serve any witness evidence for the trial. Neither of those Defendants appeared, or was represented, at the pre-trial review on 19 December 2019; and neither of those Defendants filed a skeleton argument for the trial.
4. On the morning of 14 January 2020, the day before the trial was due to start, the Court received a letter from Mr Enchev stating that he was unable to attend the trial due to a back problem. Further correspondence revealed that this was a longstanding problem, and Mr Enchev had, apparently, travelled from the UK to Bulgaria on 6 January 2020 to visit a doctor there, but said that he was unable to return to the UK for the trial. He asked that the trial should be adjourned to a future (unspecified) date. For the reasons given in a ruling handed down on 16 January 2020, [2020] EWHC 151 (Ch), I adjourned the hearing by one day, to start on 16 January, but otherwise refused to defer the trial. I instead invited Mr Enchev to attend the trial via video link, and arrangements were duly made by the Court and the Claimant's solicitors to enable him to participate on that basis.
5. In the event the video link connection proved insufficiently reliable, and the trial therefore continued with Mr Enchev attending via conference call, assisted by a translator with him in Bulgaria.

The Trade Marks and the disputed signs

6. Red Bull’s relevant trade marks, and the Big Horn signs that are said to infringe those trade marks, are as follows:

EU Trade Mark No. and Class	Mark and description	Disputed Big Horn signs
<p>3629342</p> <p>Class 32: Non-alcoholic beverages including energy drinks</p>	<p>Double Bull</p> 	
<p>52746</p> <p>Class 32: Non-alcoholic drinks</p>	<p>Blue/Silver Parallelogram with Sun Device</p> 	
<p>1564301</p> <p>Class 32: Non-alcoholic drinks, in particular refreshment drinks, energy drinks</p>	<p>Single Bull</p> 	

Factual and procedural background

7. Red Bull is the manufacturer and distributor of the “Red Bull” energy drink with which the Red Bull trade marks set out above are associated. The classic version of the energy drink bears each of the three trade marks in issue in these proceedings. Other versions of the product such as the Coconut edition, the Blueberry edition, the Tropical edition and the Sugar Free version have different colour schemes, but all carry at least one of the trade marks in issue, and the Single Bull device is used on the tab of every can of 250ml or over.

8. The Red Bull energy drink was first launched in Austria in 1987. It is not in dispute that it has subsequently been heavily promoted to the public and has gained worldwide recognition. Red Bull relied in particular on the evidence of Mr Jorge Casals, its regional IP counsel for Europe, who addressed among other things the worldwide reputation of the Red Bull trade marks and products. His evidence, which was not challenged by Mr Enchev, was that the product has been very successful particularly among young people, athletics and sporting groups. In the UK, by January 2019 Red Bull had a market share of over 30% for energy drinks. The products and brand have been widely promoted through the media and sponsorship throughout the world, with the result that Red Bull is one of the most valuable and recognised brands in the world. Eurobrand assessed Red Bull's brand value in 2016 at €15.111m.
9. In August 2016 the Second Defendant, Voltino, filed an application for an EU trade mark for a Big Horn figurative mark bearing the double ram and golden sun device shown above, together with the words "Big Horn", to be used for (among other things) energy drinks and various types of water. Red Bull became aware of the application in September 2016 and filed an opposition to that trade mark application in November 2016.
10. Notwithstanding that opposition, Big Horn energy drinks started to appear in the UK and Bulgaria, and Red Bull made test purchases of Big Horn energy drinks in May 2017 (Bulgaria) and June, July and November 2017 (UK). The Big Horn energy drinks are sold in cans of an identical shape and size to the classic Red Bull cans. All of the products found for the purposes of the test purchases were the classic version of the drink bearing the double ram and golden sun device, and the geometric blue/silver design shown above. All of the cans purchased by Red Bull state that they are manufactured by a Polish company, for either Voltino or Big Horn.
11. As already noted, Mr Enchev and Big Horn did not serve any witness evidence for the trial or provide any disclosure. There was therefore no evidence before the Court as to the precise nature of Mr Enchev's involvement with Voltino, and how Mr Enchev came to set up Big Horn to market and sell the goods that are the subject of these proceedings. At the trial, however, Mr Enchev said that he started negotiations with Voltino in April 2017, during which he discussed the possibility of incorporating a company in the UK to be a distributor of Voltino's "Big Horn" energy drinks. Big Horn was then incorporated in May 2017 to carry on the business of the importation into the UK and sale in the UK of those drinks.
12. Mr Enchev said that he entered into a contract with Voltino in May 2017, but that contract has never been disclosed and its contents are therefore unknown. It is not, however, disputed that Big Horn did indeed import and sell in the UK the Big Horn energy drinks that are the subject of these proceedings.
13. Mr Enchev accepted that he was the controlling mind of Big Horn. He used the domain www.bighornenergy.co.uk, which he controlled, to host Big Horn's website, and was also in control of the social media accounts used by Big Horn to advertise its products, including Facebook, Instagram and Twitter accounts.

14. On 23 May 2018 the EUIPO Opposition Division rejected Red Bull's opposition to Voltino's trade mark application. That decision was appealed by Red Bull, and on 7 January 2019 the EUIPO Board of Appeal upheld that appeal and rejected Voltino's application in its entirety.
15. Mr Enchev said that he terminated his contract with Voltino with effect from 1 March 2019 and ceased advertising on social media and other platforms using the disputed Big Horn sign. He also claimed that although he was distributing the products in the UK during the course of 2018, he had stopped doing so before the appeal decision. It appears, however, that later in March 2019 Big Horn was still advertising on its Facebook page to "Expect Big Horn Still Water in Spring 2019", with a picture of the product bearing one of the double ram signs shown above.
16. Meanwhile on 6 February 2018 Red Bull filed its Particulars of Claim. The original defences filed by Mr Enchev on behalf of himself and Big Horn were the subject of a strike out/summary judgment application brought by Red Bull in June 2018. The application was heard in September 2018 and Master Clark's judgment was given in November 2018, striking out various of the allegations in the defences but otherwise dismissing the applications and giving all three Defendants permission to amend their defences on the terms of revised versions that had been sent by the solicitors then instructed by those Defendants. The amended defences of Mr Enchev and Big Horn were eventually filed at Court and sent to Red Bull in July 2019.

The legal framework

17. The alleged infringements are said to have occurred from around November 2016 onwards. They therefore relate to a period covered initially by Council Regulation 207/2009 on the Community trade mark, as amended by Regulation 2015/2424, and subsequently (from 1 October 2017) by the Council Regulation 2017/2001 on the European Union trade mark (the European Trade Mark Regulation, or "EUTMR").
18. The relevant provisions are Article 9(2) and (3) of Regulation 207/2009 in its amended form, and the same provisions (in identical form) of the EUTMR. They provide in relevant part as follows:

"Article 9

Rights conferred by an EU trade mark

...

2. Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trade mark, the proprietor of that EU trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where:

...

(b) the sign is identical with, or similar to, the EU trade mark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the EU trade mark is registered, if there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

(c) the sign is identical with, or similar to, the EU trade mark irrespective of whether it is used in relation to goods or services which are identical with, similar to or not similar to those for which the EU trade mark is registered, where the latter has a reputation in the Union and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the EU trade mark.

3. The following, in particular, may be prohibited under paragraph 2:

...

(b) offering the goods, putting them on the market, or stocking them for those purposes under the sign, or offering or supplying services thereunder;

(c) importing or exporting the goods under the sign;

...

(e) using the sign on business papers and in advertising;”

19. Red Bull says that in this case Mr Enchev and Big Horn infringed its rights under both Article 9(2)(b), on the basis that the disputed Big Horn signs were likely to give rise to confusion on the part of the public, and Article 9(2)(c), on the basis that the Big Horn signs took unfair advantage of the distinctive character or repute of the Red Bull trade marks.

20. A summary of the conditions to be satisfied to establish infringement under Article 9(2)(b) was set out by Arnold J at §285 of *Sky v Skykick* [2018] EWHC 155 (Ch) as follows:

“(i) there must be use of a sign by a third party within the relevant territory; (ii) the use must be in the course of trade; (iii) it must be without the consent of the proprietor of the trade mark; (iv) it must be of a sign which is at least similar to the trade mark; (v) it must be in relation to goods or services which are at least similar to those for which the trade mark is registered; and (vi) it must give rise to a likelihood of confusion on the part of the public.”

21. A similar summary of the conditions to be satisfied to establish infringement under Article 9(2)(c) can be found at §111 of the judgment of Kitchen LJ in *Comic Enterprises v 20th Century Fox* [2016] EWCA Civ 41, referring in that

case to Article 5(2) of Directive 2008/95/EC and section 10(3) of the Trade Mark Act 1994, which were (in the context of national trade mark protection) in materially identical terms to Article 9(2)(c):

“(i) the registered trade mark must have a reputation in the relevant territory; (ii) there must be use of a sign by a third party in the relevant territory; (iii) the use must be in the course of trade; (iv) it must be without the consent of the proprietor; (v) it must be of a sign which is identical with or similar to the trade mark; (vi) it must be in relation to goods or services; (vii) it must give rise to a link between the sign and the trade mark in the mind of the average consumer; (viii) it must give rise to one of three types of injury, that is to say, (a) detriment to the distinctive character of the trade mark, (b) detriment to the repute of the trade mark, or (c) unfair advantage being taken of the distinctive character or repute of the trade mark; and (ix) it must be without due cause.”

22. In the present case, in relation to infringement under Article 9(2)(c), Red Bull does not say that Big Horn’s use of the allegedly infringing signs damaged the distinctive character or reputation of Red Bulls trade marks, but it does say that unfair advantage was taken of the distinctive character or reputation of those trade marks.
23. In assessing whether the conditions under Article 9(2)(b) and (c) are met, it is well-established that the assessment is to be made from the perspective of the “average consumer” of the relevant goods or services, who is deemed to be reasonably well-informed and reasonably observant and circumspect. That average consumer must be a consumer of the relevant goods or services who is both familiar with the trade mark, and exposed to and likely to rely upon the disputed sign: *Sky v Skykick*, §§274–275.
24. The CJEU has also held that where there is a trade mark that is registered in black and white, the colour or combination of colours in which it is later used affects how the average consumer of the goods at issue perceives the trade mark, and that in turn is relevant to the assessment of the likelihood of confusion or association between the earlier trade mark and the sign alleged to infringe it: Case C-252/12 *Specsavers v Asda* EU:C:2013:497, §39.

The issues

25. By the time of the trial it was not in dispute that Big Horn (at least) had used the disputed Big Horn signs in the course of trade within the EU (and in particular in the UK) and without the consent of Red Bull. Nor was it disputed that Big Horn’s signs had been used in relation to goods and services. Mr Enchev also accepted at the trial that Red Bull’s trade marks had been, for many years, well known within the EU. It was therefore not (at the trial) disputed that Red Bull’s marks had the reputation required for the purposes of Article 9(2)(c) – nor could this have been seriously disputed, given the detailed and unchallenged evidence of Mr Casals on this point.

26. The outstanding issues are:
- i) Whether the disputed Big Horn signs are at least similar to the Red Bull trade marks, are used on similar goods, and give rise to a likelihood of confusion on the part of the public within the meaning of Article 9(2)(b).
 - ii) Whether the disputed signs are at least similar to the Red Bull trade marks, give rise to a link between the sign and the trade mark in the mind of the average consumer, and thereby lead to unfair advantage being taken of the distinctive character or reputation of the Red Bull trade marks, without due cause, within the meaning of Article 9(2)(c).
 - iii) Whether Mr Enchev is personally liable for any infringement as a joint tortfeasor.
27. It is convenient to start with the Article 9(2)(c) issues.

Article 9(2)(c)

Similarity

28. The disputed Big Horn signs are obviously not identical to the Red Bull trade marks. Miss Reid submitted that all three of the disputed Big Horn signs are, however, at least similar to the relevant trade marks. Mr Enchev declined to make any comments on similarity in his submissions at the trial.
29. Starting with the double ram sign, I note at the outset that the EUIPO Board of Appeal, which was considering that sign together with the words “Big Horn”, found that there was at least some similarity between the sign and the Red Bull double bull mark, albeit that similarity was low, as the differences between the marks “are not likely to be overlooked by the average consumer” (§52). The Board pointed out that both signs contained two silhouetted hooved and horned aggressive animals, charging, in combat; that the positions of the animals’ legs are similar; and that both are captured just before the moment of impact (§47).
30. As Miss Reid also pointed out, in both cases the animals are also depicted as charging in front of a background of a circle. That circle is likely to be understood as a sun in the context of the Big Horn sign; likewise the double bull mark is frequently used with a yellow-coloured circle on Red Bull’s advertising materials, which is also in that context likely to be understood as a sun.
31. I consider that these factors indicate both visual and conceptual similarity between the Big Horn double ram sign and the Red Bull double bull mark for the purposes of Article 9(2)(c).
32. There is also visual and conceptual similarity between Big Horn’s blue/silver geometric device, and Red Bull’s blue/silver parallelogram device. Both signs use the same colours in approximately the same distribution, with angular geometric shapes, and both signs have a central yellow sun element.
33. I also consider that the Big Horn single ram sign is both visually and conceptually similar to the Red Bull single bull mark. Both use an image of a

silhouette of a large horned and hooved animal, with the head positioned as if charging or running, and with the front legs bent in almost exactly the same position.

Link between the signs and the trade marks/ unfair advantage

34. In considering whether the use of a disputed sign gives rise to a link between that sign and the relevant trade mark in the mind of the average consumer, it is necessary to make a global assessment having regard to all the circumstances of the case. The same is true in relation to the question of whether the use of a sign takes unfair advantage of the distinctive character or reputation of the mark: *Sky v Skykick*, §§309 and 314.
35. The relevant factors include the strength of the mark's reputation, the degree of distinctive character of the mark, the degree of similarity between the marks, and the nature and degree of proximity of the goods or services concerned. The more immediately and strongly the mark is brought to mind by the sign, the greater the likelihood that the use of the sign is taking, or will take, unfair advantage of the distinctive character or reputation of the mark: Case C-487/07 *L'Oréal v Bellure* [2009] ECR I-5185, §44.
36. As the CJEU went on to say at §49 of *L'Oréal*:

“where a third party attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark, the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark.”
37. In the present case it is not disputed that the Red Bull trade marks have a global reputation. Nor is it disputed that they are highly distinctive. As I have found, the Big Horn signs are both visually and conceptually similar to the Red Bull marks. It is also not disputed that the Big Horn signs are being used for precisely the same products as the products for which the Red Bull trade marks are registered and sold, namely energy drinks and water. The one Big Horn product which Red Bull has managed to obtain through test purchases is an energy drink sold in a can of an identical shape and size to the classic Red Bull cans, in precisely the same retail outlets through which Red Bull products are also sold. Indeed, Big Horn's Facebook advertising during 2017 included numerous pictures of Big Horn cans placed directly next to Red Bull products in retail outlets.
38. In those circumstances I consider that the Big Horn signs would indeed be likely to cause the average consumer to link those signs with the Red Bull trade marks, and that the use by Big Horn of those signs takes an unfair advantage of the distinctive character and reputation of Red Bull's trade marks. It is quite evident

that Big Horn's signs have been designed so as to enable Big Horn to free-ride on the reputation of Red Bull, and to benefit from the very considerable marketing efforts of Red Bull to create a particular image associated with its trade marks.

Due cause

39. Mr Enchev and Big Horn have not put forward any evidence to suggest that the disputed use of the Big Horn signs was for any due cause within the meaning of Article 9(2)(c).
40. At the trial, Mr Enchev suggested that during the time between the original EUIPO decision and the Board of Appeal decision it was lawful for him to use the Big Horn logo. That rests on a misunderstanding of the effect of the EUIPO decision. Voltino did not ever obtain a registered trade mark for the Big Horn sign, and the initial rejection of Red Bull's opposition to the trade mark registration did not confer any rights on the Defendants. Nor is there, in any event, any evidence of reliance on that decision by any of the defendants. Quite the contrary, as set out above, Big Horn products were being advertised and/or sold using the infringing signs both before the decision rejecting Red Bull's opposition, and after the decision of the Board of Appeal allowing Red Bull's appeal and rejecting Voltino's trade mark application.

Conclusion on infringement

41. I therefore conclude that the use by Big Horn of the disputed Big Horn signs infringed Red Bull's rights under Article 9(2)(c).

Article 9(2)(b)

42. In the circumstances it is not necessary to consider whether there is also an infringement under Article 9(2)(b). Had it been necessary to consider that issue, however, I would not have been persuaded that the Big Horn signs give rise to a likelihood of confusion on the part of the average consumer.
43. I accept Miss Reid's point that the degree of attention of the relevant average consumer will in this case be low, given that the goods at issue are low cost products. The same point was made by the EUIPO Board of Appeal at §94 of its decision on Voltino's trade mark application. Nevertheless, even with a low degree of attention I consider that an average consumer is likely to be well aware of the differences between the signs and is not likely to consider that a Big Horn product to be a Red Bull product, whether at the point of initial interest (initial interest confusion), at the point of purchasing the product, or observing the product post-sale (post-sale confusion). Nor do I consider that the level of similarity is such as to cause the average consumer to believe that the Big Horn products are economically linked to Red Bull's products.
44. Rather, it seems to me far more likely that the average consumer would perceive the Big Horn products as cheaper or alternative versions of Red Bull's products, stimulating sales of the former in a way that would not have occurred had the Big Horn signs not evoked so directly the visual and conceptual forms of the

Red Bull trade marks. The concern is therefore, as I have found, one of free-riding, bringing the infringement within the scope of Article 9(2)(c), rather than actual confusion between the signs within the meaning of Article 9(2)(b).

Joint tortfeasorship

45. The remaining issue is the question of whether Mr Enchev is personally liable as a joint tortfeasor alongside his company Big Horn. In that regard, Mr Enchev contended that he was not personally liable, since he did not carry out any infringing acts in his personal capacity, but rather solely acted as the director of Big Horn.
46. The leading authority on joint tortfeasance by common design is the case of *Fish & Fish v Sea Shepherd* [2015] UKSC 10, [2015] AC 1229: see in particular Lord Toulson at §21, Lord Sumption at §37 and Lord Neuberger at §55. Those judgments confirm that a defendant will be liable as a joint tortfeasor if (i) the defendant has acted in a way that assisted the commission of the tort by the primary tortfeasor; and (ii) the defendant did so pursuant to a common design to do or assist with the acts that constituted the tort.
47. In similar vein HHJ Hacon summarised the test in his judgment in *Vertical Leisure Limited v Poleplus* [2015] EWHC 841 (IPEC) as follows (§66):

“I interpret this to mean that in order to fix an alleged joint tortfeasor with liability, it must be shown both that he actively co-operated to bring about the act of the primary tortfeasor and also that he intended that his co-operation would help to bring about that act (the act found to be tortious). Liability will always be subject to the threshold requirement that the alleged joint tortfeasor’s contribution to the act was more than *de minimis*.”
48. Whether or not that test is met in a particular case is a fact-sensitive assessment that will turn on all of the relevant circumstances. The fact that the alleged joint tortfeasor was a director of the primary tortfeasor does not exclude liability; nor does it of itself establish that the *Fish & Fish* conditions are met – see *Birlea Furniture v Platinum Enterprise* [2018] EWHC 26 (IPEC), §55.
49. In the present case there is no doubt that Mr Enchev’s actions met the test set out in *Fish & Fish*. Mr Enchev accepted that he was the sole director and controlling mind of Big Horn. Following his discussions with Voltino, he set up the company as a vehicle for the importation and marketing of the Big Horn energy drinks, and was directly responsible for Big Horn’s activities. Mr Enchev also accepted that he controlled the domain on which Big Horn’s website was hosted, and controlled the social media accounts on which Big Horn’s products were advertised.
50. While Mr Enchev protested that the product was produced by Voltino, who also designed the disputed sign, that does not enable him to avoid liability in circumstances where he not only assisted with but entirely controlled Big Horn’s actions in importing, marketing and advertising the infringing products.

Conclusion

51. For the reasons given above I find that Big Horn is liable for infringement of the Red Bull trade marks under Article 9(2)(c) of Regulation 207/2009 as amended by Regulation 2015/2424, and Article 9(2)(c) of the EUTMR, by the use of the disputed Big Horn signs on Big Horn's products and advertising materials, and by the importation of Big Horn's products bearing those signs; and that Mr Enchev is liable with Big Horn as a joint tortfeasor.

52. For the sake of completeness, I note that the Particulars of Claim refer only to infringement of the EUTMR. I will give permission to amend that to refer also to Regulation 207/2009 as amended, to reflect the fact that part of the infringing conduct occurred under the earlier Regulation. As explained above, the relevant provisions are identical.