

O-250-15

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 3021346 IN THE NAME OF MIKE
CHERRINGTON IN RESPECT OF THE TRADE MARK**

EVOLVE ENERGY

IN CLASS 30

**AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO
UNDER NO 500475 BY ST HELIER BEVERAGE COMPANY (SHBC) JERSEY
LIMITED**

BACKGROUND

1) Mike Cherrington is the proprietor of the mark EVOLVE ENERGY (“the registration”). He applied for the registration on 10 September 2013 and the registration procedure was completed on 20 December 2013. The registration covers the following goods in Class 30:

Chewing gum, bubble gum, candy, mints, drops and lozenges.

2) On 1 July 2014, Corinthian Brands (CBL) Limited (“Corinthian”) applied for the registration to be declared invalid. The grounds of the application are:

- a) The registration should be invalidated under Section 47 of the Trade Marks Act 1994 (“the Act”) because it offends under Section 5(2)(b) of the Act because the registration is in respect of a similar mark and insofar as the registration covers goods “targeted at the energy food or beverages sector or have the purpose or use of ‘boosting energy’” they are similar to the goods of an earlier mark in the name of the applicant. The relevant details of the earlier mark are:

Relevant details	Specification of goods
2601665	Class 32: <i>Energy drinks; beers and ales; non-alcoholic beverages and drinks; mineral and aerated waters; fruit drinks and fruit juices; syrups and other preparations for making beverages.</i>
EVOLVE	
Filing date: 17 November 2011	
Registration date: 24 February 2012	

- b) The registration offends under Section 5(3) and Section 5(4)(a) of the Act. The applicant relies upon a claimed reputation in its mark in respect of “energy drinks and energy beverages” and also goodwill in its business identified by the mark EVOLVE.

3) For the purposes of Section 5(2)(b) and Section 5(3) of the Act, the mark relied upon by Corinthian is an “earlier mark” as defined in Section 6(1) of the Act as a mark with “a date of application for registration earlier than that of the trade mark in question”.

4) The proprietor subsequently filed a counterstatement denying Corinthian’s claims. It also put Corinthian to proof of use of its mark. However, it was registered less than five years before the date of the application for the declaration of invalidity and, consequently, it is not subject to the proof of use provisions provided at Section 47(2A) and (2B) and it is not required to provide

proof. The consequence of this is that Corinthian may rely upon the full list of goods of its earlier mark.

5) Following an assignment of the earlier mark relied upon by Corinthian and the associated goodwill, St Helier Beverage Company (SHBC) Jersey Limited (“the applicant”) was substituted as the applicant for invalidation.

6) Both sides filed evidence in these proceedings and both sides ask for an award of costs. The matter came to be heard on 25 March 2015 when the applicant for invalidation was represented by Mr Lee Curtis for HGF Limited and the proprietor represented himself.

Applicant’s Evidence

7) This takes the form of three witness statements, the first by Mr Paul Burton, Joint Managing Director of Corinthian, details the use made by Corinthian of its mark in respect of an energy drink. He provides turnover figures illustrating that sales amounted to nearly £160k in 2012, nearly £1.2 million in 2013 and nearly £770k in the first half of 2014.

8) At Exhibit PB3, Mr Burton also provides examples of independent comment and reviews of the applicant’s EVOLVE energy drinks. These take the form of screen shots from the You Tube website. The video is entitled “Drink Review – Evolve”. There is a statement that the review was published on 23 July 2013.

9) The second witness statement is by Mr John Hibberd, also Joint Managing Director of Corinthian. The purpose of this is to provide evidence of the proprietor’s use of the mark in order to demonstrate that the goods covered by its specification include goods that are similar, and in competition, to energy drinks.

10) Mr Hibberd’s Exhibit JH1 consists of the following advertisement:



11) Exhibit JH2 consists of extracts from the proprietor’s website www.evolve-energy-mints.co.uk illustrating that it is targeting “travel”, “sports”, “study”, “party” and “diet” sectors of the market by fighting fatigue, improving endurance and stamina, memory and alertness. Appearing on the home page is the same claim shown in the advertisement at Exhibit JH1, namely, that “each pack is equivalent to 2 x typical energy drinks”. Exhibit JH3 provides copies from the proprietor’s *Twitter* page where the same claim is made.

12) The third witness statement is by Mr Lee Curtis, Partner and Trade Mark Attorney at HGF Limited, the applicant’s representative in these proceedings. Mr Curtis provides the following exhibits in support of the claim that the respective goods are similar:

- Exhibits LC1 and LC2 showing *Lucozade* energy drinks and *Lucozade* energy tablets;
- At Exhibit LC3, an extract from www.amazon.co.uk promoting “Hero Energy – Instant Energy Mints”. The advert also makes a comparison of the product with energy drinks;
- At Exhibit LC4, extracts from retail websites www.candyhero.com and www.amazon.co.uk where energy mints, energy gums, energy tablets and

energy drinks are sold through the same trade channels. The first of these illustrated products such as *Bawls Mints*, *Jones Activated Energy Boosters*, *Sport Beans* and *Romney's Winter Candy* under the heading "Energy Candy, Caffeine Candy, Sports Candy". The second website (*Amazon*) refers to the same *Hero Energy Mints* as shown in the previous exhibit. All these extracts were printed on 15 September 2014.

Proprietor's evidence

13) This takes the form of a witness statement by the proprietor, Mr Cherrington. He provides a background to his business activities and how Evolve Energy Mints were launched in January 2014 and marketed through vending machines and online. Mr Cherrington also explains that he was aware that there was "an over population of 'energy drinks' in the market" and wanted to produce what he describes as "a completely different product". He describes his goods as "slow release energy confectionery" that aid "endurance, fatigue, memory or dieting".

14) At Exhibit MC7, Mr Cherrington provides an extract from the website www.offlicencenews.co.uk. The article refers to the size of the UK energy drinks market as being worth £1.2 billion, citing "*Mintel*" as the source of this figure.

15) The rest of Mr Cherrington's statement consists of submissions/opinions rather than evidence of fact. I will not detail these submissions, but I will keep them in mind and refer to them as appropriate in my decision.

DECISION

The legislation

16) The case has proceeded to final determination on the basis of Section 5(2) (b), Section 5(3) and Section 5(4)(a) of the Act, with such grounds being relevant in invalidation proceedings in view of the provisions of Section 47(2) of the Act. The relevant parts of Section 47 of the Act read as follows:

"47. - (1) ...

(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration."

17) The relevant parts of Section 5 of the Act read:

“(2) A trade mark shall not be registered if because –

(a) ...

(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.

(3) A trade mark which –

(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 Community trade mark or international trade mark (EC) in the European Community) 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.

(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

b) ...”

Section 5(2)(b)

18) 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:

(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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

19) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23:

‘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.’

20) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).

21) The registration is in respect of *Chewing gum, bubble gum, candy, mints, drops and lozenges* all in Class 30. Mr Cherrington has repeatedly submitted that these goods are not similar to the drink products covered by the applicant's earlier mark. He contends that the nature of the respective goods cannot be the same because they are classified in different classes. I agree that there is little similarity in nature between gum and sweets all being in solid form and the applicant's goods all being in liquid form. However, in terms of intended purpose, it is clear from both sides' evidence that the goods of the registration can include gums, candy and mints etc with the primary purpose of boosting energy, being exactly the same purpose as the applicant's goods. As such, the goods of the registration are in direct competition with the applicant's *energy drinks*. The average consumer will be faced with a choice between obtaining an energy boost either from a product such as an energy drink or from a gum, candy, mint or similar. As the applicant submitted such goods may also share the same trade channels and be displayed on adjacent shelves in the retail environment. Taking all of this into account, I reject the proprietor's submissions and conclude that the respective goods share a medium level of similarity.

22) This finding is reinforced by the proprietor's own evidence that illustrates its products being marketed as one pack being equivalent to two energy drinks. This reinforces my conclusion that the respective specifications include goods that are in competition and are alternatives to each other. At the hearing Mr Cherrington also submitted that the parties' respective goods are different because all the ingredients are different with the proprietor's goods not containing any sugar, unlike energy drinks. I acknowledge this difference but this does not change the fact that the goods are in competition with each other (as illustrated by the comparison statements in the proprietor's own promotional material).

The average consumer

23) 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*. 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.”

24) The goods of both parties marks are relatively inexpensive and readily available in supermarkets and convenience stores (and their online equivalents) as well as being suitable for selling via vending machines. Consequently, the purchasing process will be mainly visual in nature and will involve no more than an average level of care and attention. I will not ignore aural considerations that may play a part where, for example, the goods are recommended by word of mouth.

Comparison of marks

25) 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 CJEU 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.”

26) It would be wrong, therefore, to artificially dissect the 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. The marks are:

Applicant's mark	Proprietor's mark
EVOLVE	EVOLVE ENERGY

27) The applicant's mark consists of a single word with its distinctive character residing in that word. The proprietor's mark readily divides into the two words EVOLVE and ENERGY. The second of these words carries a descriptive meaning when the mark is considered in respect of the energy boost products that are covered by the broader terms of the proprietor's specification. Therefore, in respect of such goods, the word EVOLVE is the dominant and distinctive element of the mark.

28) Having considered the dominant and distinctive elements, I am required to now consider the level of similarity between the respective marks. Visually, they both share the same word EVOLVE and this creates similarity between the marks. The addition of the word ENERGY in the proprietor's mark is a point of difference, nevertheless, there is still a good deal of visual similarity.

29) Similarly, the common EVOLVE element also creates a good deal of aural similarity with the two syllables EE-VOLV being present at the beginning of the proprietor's mark and being the only aural elements of the applicant's mark. In reaching this conclusion, I acknowledge the proprietor's mark also includes the additional syllables EN-ER-GEE.

30) Conceptually, the word ENERGY present in the proprietor's mark has a universally understood meaning for the average consumer in the UK and this concept is missing from the applicant's mark. However, both marks also have the word EVOLVE that is an ordinary dictionary word, being a verb meaning to "develop gradually"¹. Taking account of these points, I conclude that the respective marks share a good deal of conceptual similarity.

31) When considering the marks as a whole and taking account of their visual, aural and conceptual similarities and differences, I conclude that the respective marks share a good deal of similarity overall.

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<http://www.oxfordreference.com/search?siteToSearch=aup&q=evolve&searchBtn=Search&isQuickSearch=true>

Distinctive character of the earlier trade mark

32) I must consider the distinctive character of the earlier mark because the more distinctive it is, either by inherent nature or by use the greater the likelihood of confusion (*Sabel BV v Puma AG* [1998] RPC 199). The distinctive character of the earlier trade mark must be assessed by reference to the goods for which it is registered and by reference to the way it is perceived by the relevant public (*Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91).

33) Mr Curtis submitted at the hearing that the applicant had established a “not insignificant reputation” within the UK market. Although these comments were made in the context of the grounds based upon Section 5(3) they are also relevant to the issue of enhanced distinctive character. The size of the energy drinks market in the UK is not disclosed in the evidence, but at the hearing Mr Cherrington claimed that in the UK in 2013 it was worth £1.2 billion. The applicant’s revenue for the same year of just over £1 million equates to 0.12% of the market. As such, I agree with Mr Cherrington that the scale of use of the applicant’s mark is not substantial. Such use is not sufficient to illustrate that the mark benefits from enhanced distinctive character. As a result, I only need to consider the inherent level of distinctive character of its mark. In this respect, I note it consists of an ordinary dictionary word with no obvious meaning in respect of the goods listed. It therefore is endowed with an average level of distinctive character, but not the highest level (such as an invented word may be endowed with).

Likelihood of confusion

34) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). I must take into account all factors relevant to the circumstances of the case, in particular the interdependence between the similarity of the marks and that of the goods designated (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*)

35) The proprietor claims that the addition of the word ENERGY in his mark creates a totally different mark to the applicant’s mark. The distinctive character of the earlier mark resides in the word EVOLVE and this same word appears as the first of the two words in the proprietor’s mark. The addition of the descriptive word ENERGY fails to assist in creating “a totally different mark” and I reject the proprietor’s submission on this point. I have found that there is a good deal of similarity between the marks.

36) Whilst I give due consideration to the proprietor’s claim that his goods are totally different to those of the applicant, I have concluded that the respective goods share a medium level of similarity. Further, I have found that the

purchasing process is mainly visual in nature and will involve no more than an average level of care and attention. I have found that the applicant's mark is endowed with an average level of distinctive character.

37) Taking all of these points together and keeping in mind the role that imperfect recollection plays, I am of the view that there is a likelihood of confusion in that average consumer will assume that energy drinks provided under the mark EVOLVE and various confectionery items provided under the mark EVEOLVE ENERGY originate from the same or linked undertaking.

38) The proprietor has disputed the applicant's claim that the manufacturers of both parties' goods are often the same. It offers the view that it is only aware of one manufacturer, namely *Lucozade*, that makes chewable sugar based lozenges as well as energy drinks. It is pointed out that the company behind *Hero Energy Tablets* has recently gone into administration. I note this, but it is not determinative. In light of the similarity between the respective marks and the common purpose of energy drinks and of goods covered by the broad terms listed in the proprietor's specification, the fact that it is not common (or at least there is no evidence before me that it is) in the trade for manufacturers to produce both energy drinks and energy gum, candy or lozenges will not lead to a conclusion that my findings in the above paragraph are not correct.

39) In conclusion, there is a likelihood of confusion in respect of all of the proprietor's goods and the application for invalidation is successful in its entirety.

Section 5(3) and Section 5(4)(a)

40) In light of my findings in respect of Section 5(2)(b) it is not necessary for me to go on to consider the applicant's case under these sections of the Act.

COSTS

41) The applicant for invalidation has been successful and is entitled to a contribution towards its costs, according to the published scale in Tribunal Practice Notice 4/2007. I take account that both sides filed evidence and that a hearing took place. I award costs as follows:

Preparing a statement and considering the counterstatement	£300
Application fee	£200
Evidence	£600
Preparing and attending hearing	£500
Total:	£1600

42) I order Mr Cherrington to pay St Hellier Beverage Company (SHBC) Jersey Limited the sum of £1600 which, in the absence of an appeal, should be paid within 14 days of the expiry of the appeal period.

Dated this 1st day of June 2015

**Mark Bryant
For the Registrar,
the Comptroller-General**