

O/185/19

**TRADE MARKS ACT 1994**

**IN THE MATTER OF THE UK DESIGNATION OF INTERNATIONAL  
REGISTRATION NO. 1352854 BY  
FOKUS BILGISAYAR SANAYI VE TICARET LIMITED SIRKETI  
FOR PROTECTION OF THE FOLLOWING TRADE MARK  
IN CLASS 9:**

***MONSTER***

**AND**

**IN THE MATTER OF THE OPPOSITION THERETO  
UNDER NO. 411084 BY  
MONSTER ENERGY COMPANY**

## Background and pleadings

1. Fokus Bilgisayar Sanayi ve Ticaret Limited Sirketi (“the holder”) designated the following International Registration (IR) for protection in the UK on 31 March 2017:



It was accepted and published in the Trade Marks Journal on 22 September 2017 in respect of the following goods:


### Class 9

*Notebook computers, laptop computers, mice, mouse pads, laptop carrying cases, sleeves for laptops, notebook computer carrying cases, cases adapted for notebook computers.*

2. The designation was opposed by Monster Energy Company (“the opponent”). The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opposition concerns all goods in the designation.
3. With regards to its claim based upon section 5(2)(b) of the Act, the opponent is relying upon the following EU (formerly Community) trade marks (“EUTMs”):<sup>1</sup>

Mark	Goods
EUTM 11669744 (“the 744 mark”)  MONSTER ENERGY  Filing date: 19 March 2013 Registration date: 24 October 2013	<u>Class 9</u> <i>Protective covers and cases for cell phones, laptops, tablets, portable media players and other electronic devices, namely mobile phones, smartphones, media players, music players, computers, and portable electronic devices; earphones and headphones; protective ear coverings, namely helmets; eye</i>

<sup>1</sup> The opponent had originally sought to rely on four other rights, including two that are currently under opposition at the EU Intellectual Property Office (EUIPO).


Mark	Goods
	<p><i>glasses, eye glass cases, sunglasses, sunglass cases.</i></p> <p><u>Class 28</u> <i>Protective covers and cases for other electronic devices, namely hand-held video game systems.</i></p>
<p>EUTM 11154739 (“the 739 mark”)</p>  <p>Colours claimed: green, black, white and grey.</p> <p>Filing date: 31 August 2012 Registration date: 9 January 2013</p>	<p><u>Class 5</u> <i>Nutritional supplements in liquid form.</i></p> <p><u>Class 16</u> <i>Printed matter and publications; posters; stickers and decals; transfers; cards; stationery; signboards.</i></p> <p><u>Class 25</u> <i>Clothing, footwear, headgear.</i></p> <p><u>Class 30</u> <i>Ready to drink tea, iced tea and tea based beverages; ready to drink flavoured tea, iced tea and tea based beverages; ready to drink coffee, iced coffee and coffee based beverages; ready to drink flavoured coffee, iced coffee and coffee based beverages.</i></p> <p><u>Class 32</u> <i>Non-alcoholic beverages</i></p>

The opponent is relying on all the goods for which the 744 mark stands registered and the Class 16 goods for which the 739 mark stands registered.

- The opponent claims that the marks are highly similar and that the goods covered by the holder’s specification are highly similar to goods covered by the earlier marks, leading to a likelihood of confusion on the part of the public. Therefore,

designation of the contested mark should be refused under section 5(2)(b) of the Act.

5. Additionally, or alternatively, the opponent claims that use of the holder’s mark for all the goods in the designation would take unfair advantage of the reputation of the following marks and cause detriment to the distinctive character of those marks. The opponent claims that the marks have a reputation for the following goods:

Mark	Goods for which the opponent claims a reputation
<p>EUTM 11154739 (“the 739 mark”)</p> 	<p><u>Class 32</u> <i>Non-alcoholic beverages</i></p>
<p>EUTM 9492158 (“the 158 mark”)</p> <p>MONSTER</p> <p>Filing date: 3 November 2010 Registration date: 19 April 2011</p>	<p><u>Class 32</u> <i>Non-alcoholic beverages, namely energy drinks and energy drinks flavoured with coffee, all enhanced with vitamins, minerals, nutrients, amino acids and/or herbs in Class 32.</i></p>
<p>EUTM 4823563 (“the 563 mark”)</p> <p>MONSTER ENERGY</p> <p>Filing date: 22 December 2005 Registration date: 10 January 2007</p>	<p><u>Class 32</u> <i>Drinks, including soft drinks, fruit juices and fruit drinks, carbonated soft drinks, aerated water, soda water and seltzer water; drinks with vitamins, minerals, nutrients, amino acids and/or herbs.</i></p>

6. The opponent claims that:

- The holder would gain undeserved exposure merely on the basis that the mark and goods applied for are highly similar to the earlier mark in respect of which the opponent enjoys an extensive reputation in the UK;
- The use of the opposed mark in respect of the goods applied for would cause detriment to the reputation of the earlier mark by way of tarnishment or degradation, in particular as the opponent will not be able to control the manner in which the holder's mark is used;
- As a link will be formed in the mind of the public between the two marks, the distinctiveness of the earlier marks will be eroded. This will affect the economic behaviour of the relevant public because it will reduce the ability of the public to distinguish the goods offered under the earlier mark and will result in a loss of sales to the relevant public of the goods offered under the earlier mark.

Therefore, protection of the contested mark should be refused under section 5(3) of the Act.

7. Under section 5(4)(a) of the Act, the opponent claims that use of the holder's mark for all the goods in the designation is liable to be prevented under the law of passing off, owing to its goodwill attached to the following signs, which it claims to have used throughout the UK since 2008, in respect of *Drinks*:

MONSTER  
MONSTER ENERGY



8. The holder filed a defence and counterstatement, denying all the grounds. It also requested that the opponent provide evidence of proof of use of the 158 and 563 marks and the unregistered rights for all the goods relied on. The holder does not admit that the marks or goods are highly similar.
9. The opponent filed evidence on 6 June 2018 and 16 November 2018. The holder filed evidence and submissions on 9 October 2018. This will be summarised to the extent that it is considered necessary.
10. No hearing was requested. The opponent and holder filed written submissions in lieu of a hearing, on 21 December 2018. These will not be summarised but will be referred to as and where appropriate during this decision.
11. In these proceedings, the opponent is represented by Bird & Bird LLP and the holder by Kilburn & Strode LLP.

### **Preliminary issues**

12. On 21 December 2018, the holder applied to restrict the specification of the contested mark by deleting the terms *laptop carrying cases, sleeves for laptops, notebook computer carrying cases, cases adapted for notebook computers*. The specification now reads:

*Class 9*

*Notebook computers, laptop computers, mouses, mouse pads.*

A copy of the relevant form sent to the World Intellectual Property Organisation (WIPO) is attached to its written submissions in lieu of a hearing.

## Evidence

### *Opponent's evidence-in-chief*

13. The opponent's evidence-in-chief comes from Mr Rodney C Sacks, Chairman and Chief Executive of Monster Beverage Corporation and its subsidiaries, including the opponent, since 1990. It consists of a witness statement, dated 18 May 2018, and 56 exhibits. I shall not summarise each of these exhibits but highlight the pertinent facts below.
14. Monster Beverage Corporation has been producing energy drinks since 2002 and it entered the European market in January 2008. Mr Sacks states that sales in the UK were €79.9 million in 2012; €96.3 million in 2013; €95.9 million in 2014; €119.6 million in 2015; €124.4 million in 2016; and €153 million in 2017. These sales equate to 106.8 million cans in 2012; 135.5 million in 2013; 142.7 million in 2014; 153.9 million in 2015; 169 million in 2016; and 224.7 million in 2017. Mr Sacks confirms that all these goods bore a MONSTER trade mark and many also bore a MONSTER ENERGY trade mark.
15. Mr Sacks states that the company's energy drinks are sold in over 275,000 retail outlets in the EU, including supermarkets, convenience stores, fuel stations and takeaway outlets.
16. Mr Sacks states that the opponent had the following shares of the UK market for energy drinks: 8.8% in 2012; 10.4% for the first 9 months of 2013; 10.9% for the 13 week period ending 2 November 2013; 12.3% for the 13 week period ending 2 December 2014, 13.1% for the 13 week period ending 5 December 2015, and 15% for the 13 week period ending 3 December 2016.<sup>2</sup>
17. Monster has adopted an unconventional marketing strategy that eschews direct advertising. Instead, it focuses on sponsoring athletes, sports teams and competitions, and music festival events. Mr Sacks explains that:

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<sup>2</sup> See Exhibit RCS-11.

“The image of the MONSTER energy drinks is ‘edgy and aggressive’. The athletes and events Monster sponsors tend to be edgy and aggressive, or extreme.”

The sports include Formula 1, motorcycle racing and mixed martial arts. The opponent’s marks are displayed prominently at the events.<sup>3</sup> Mr Sacks states that sponsoring individual athletes that its target market of young men admire is a more effective way of reaching this group than traditional print and TV advertising. The opponent states that, since 2010, it has distributed more than 22.7 million samples of energy drinks across the EU, but he does not indicate how many of these were distributed during the relevant period. Mr Sacks states that the company spent more than €119.4 million on advertising, promotion and marketing in the EU in 2015.

#### *Holder’s evidence*

18. The holder’s evidence comes from Benjamin Thomas Scarfield, a trade mark attorney with Kilburn & Strode LLP. His evidence consists of the results of a Google search for the word “monster” and is dated 18 September 2018.

#### *Opponent’s evidence-in-reply*

19. The opponent’s evidence-in-reply comes from Adeena Wells, an associate solicitor at Bird & Bird LLP. Her evidence consists of the results of Google searches for the word and image “monster” and is dated 15 November 2018.

### **Decision**

#### **Section 5(2)(b) ground**

20. Section 5(2)(b) of the Act states that:

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<sup>3</sup> See, for example, Exhibits RCS-18 (Formula 1 at Silverstone), RCS-20 (Moto GP events in the EU) and RCS-22 (FIM Motocross World Championships).



“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.”

21. An “earlier trade mark” is defined in section 6(1) of the Act:

“In this Act an ‘earlier trade mark’ means –

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

22. The marks upon which the opponent relies under this ground qualify as earlier trade marks under the above provision. As these marks were registered within the five years before the date on which the holder’s mark was published, they are not subject to proof of use and the opponent is therefore entitled to rely on all the goods referred to in paragraph 3 of this decision.

23. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the courts of the European Union in *SABEL BV v Puma AG* (C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (C-425/98), *Matratzen Concord GmbH v OHIM* (C-3/03), *Medion AG v Thomson Multimedia*

*Sales Germany & Austria GmbH (C-120/04), Shaker di L. Laudato & C. Sas v OHIM (C-334/05 P) and Bimbo SA v OHIM (C-519/12 P):*

- (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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone 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 greater 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**

24. When comparing the goods, all relevant factors should be taken into account, per *Canon Kabushiki Kaisha*:

“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 complementary.”<sup>4</sup>

25. The General Court clarified the meaning of “complementary” goods or services in *Boston Scientific Ltd v OHIM*, T-325/06:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that

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<sup>4</sup> Paragraph 23

customers may think that the responsibility for those goods lies with the same undertaking.”<sup>5</sup>

26. A further factor to be considered is the channels of trade of the respective goods or services: see the guidance given by Jacob J (as he was then) in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] RPC 281.
27. The goods to be compared are shown in the table below:

Opponent’s goods	Holder’s goods
<p><b>The 744 mark:</b></p> <p><u>Class 9</u>  <i>Protective covers and cases for cell phones, laptops, tablets, portable media players and other electronic devices, namely, mobile phones, smartphones, media players, music players, computers, and portable electronic devices; earphones and headphones; protective ear coverings, namely helmets; eye glasses, eye glass cases, sunglasses, sunglass cases.</i></p> <p><u>Class 28</u>  <i>Protective covers and cases for other electronic devices, namely handheld video game systems.</i></p> <p><b>The 739 mark:</b></p> <p><u>Class 16</u>  <i>Printed matter and publications; posters; stickers and decals; transfers; cards; stationery; signboards.</i></p>	<p><u>Class 9</u>  <i>Notebook computers, laptop computers, mouses, mouse pads.</i></p>

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<sup>5</sup> Paragraph 82.

28. The opponent submits that there is a high degree of similarity between its goods and those of the holder. It refers me to the decision of the Opposition Division of the European Union Intellectual Property Office (EUIPO) that *notebook computers and laptop computers* are similar to *protective covers and cases for laptops, tablets and other electronic devices*:

“these goods have complementary characters ... they originate from the same manufacturers and are distributed through the same channels to the same public”.<sup>6</sup>

29. The decisions of the EUIPO Opposition Division are not binding upon me, but I do not disagree with its assessment that these goods are similar. They will have the same users: the person who uses a protective cover or case for a laptop or notebook computer can reasonably be expected to have a laptop or notebook computer to put in it. A cover or case helps to keep the device safe while transporting it and I note that portability is a key feature of these items. A retailer selling the laptops or notebooks will generally also sell covers and cases. I agree that the goods are complementary, in that there would be no need for the covers and cases without the laptops and notebooks, and that it would not be uncommon for the manufacturer of the computer also to produce, or license its marks for use on, covers and cases. I find them to be similar, although to no more than a medium degree.

30. The opponent does not make any specific submissions regarding *mouses and mouse pads*. In my view, the most similar of the opponent’s goods are, again, *protective covers and cases for laptops, tablets and other electronic devices, namely computers*. All these goods may be used with computers, and the users are likely to be the same. The uses, however, are different. A mouse or mouse pad is purchased to enable the user to interact more effectively with the computer, while the opponent’s goods are protective. They would all tend to be sold through the same trade channels and, in a larger supermarket or electronics store, they would be found fairly close to each other, although not perhaps

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<sup>6</sup> *Monster Energy Company v Tencent Holdings Limited*, Opposition No B 2 628 280, page 14.

adjacent. The goods are not in competition with each other and to my mind there is no complementarity: the types of computers for which one would normally buy a protective cover or case (laptops and notebooks) are, in my experience, designed to be used without a mouse, although the customer may choose to use one. I find that there is a very low degree of similarity between these goods.

31. It is also submitted by the opponent that there is a high degree of similarity between the Class 16 goods covered by the 739 mark and the holder's goods for the following reasons:

“a. these goods have the same users and are frequently sold next to each other in the same retail outlets;

b. consumers will be used to seeing the goods originate from the same undertakings; and

c. in particular, stickers and transfers are often sold alongside laptops, electronic devices, and protective covers for the same, with the intention that the stickers are applied directly onto the goods as a form of customisation.”

32. I disagree. The nature of the goods differs: the holder's are electronic devices, or accessories to be used with such devices, while most of the Class 16 goods will be made from paper or card, or be designed to be used with paper or card. There may be overlap in the users and I accept that they could be sold in the same retail outlets. However, in my view they will not tend to be sold on nearby shelves and I have been presented with no evidence to persuade me that it is usual for these goods to originate from the same undertakings. The goods are not complementary or in competition with each other. It is the case that an individual could use a computer or stationery for the same purpose, such as keeping lists, but the ability of a computer to handle large amounts of data with ease diminishes the extent to which the goods are truly in competition. I find that these goods are different. As these were the only goods that the opponent was relying on in respect of the 739 mark, and that where there is no similarity there

can be no confusion, I need from this point only to consider the 744 mark under this ground.

### **Average consumer and the purchasing act**

33. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, I must bear in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: see *Lloyd Schuhfabrik Meyer*.
34. 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:

“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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”<sup>7</sup>

35. The average consumer of *notebook computers, laptop computers, mouses, mouse pads and protective covers and cases for laptops and computers* will be a member of the general public or a business that is purchasing the goods for its employees to use. *Notebook computers* and *laptop computers* are relatively high value goods that will not be purchased frequently, suggesting that the average consumer will be taking a higher than average degree of care when making a selection. They will do this by choosing from a website or visiting a shop, and they may also have used review websites or magazines to help them decide

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<sup>7</sup> Paragraph 60.

which one to buy. The visual element will therefore be the most significant, although spoken recommendations may also be a factor. I cannot therefore ignore the aural element.

36. *Mouses, mouse pads and protective covers and cases* will have a lower retail value than the computers, but will still not be bought regularly. When making a purchase, the average consumer will use similar methods to those I have outlined above, although I consider that there is a lower likelihood of spoken recommendations. The average consumer would be less likely to seek the assistance of sales consultants or to undertake the kind of research they would do when buying a computer. For these reasons, I find that in the case of these goods the average consumer would be paying an average level of attention.

### **Comparison of marks**

37. 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 in *Bimbo SA v OHIM*, C-591/12 P, that:

“... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the 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.”<sup>8</sup>

38. It would be wrong, therefore, artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to


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<sup>8</sup> Paragraph 34.



give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

39. The respective marks are shown below:

Earlier mark	Contested mark
MONSTER ENERGY	

40. The holder’s mark consists of the word “MONSTER” presented in stylised capital letters. The word is clearly distinguishable, but the stylisation makes a contribution to the overall impression of the mark, which rests in the mark as a whole.

41. The opponent’s mark consists of the phrase “MONSTER ENERGY”, presented in capital letters in a standard font with no stylisation.<sup>9</sup> The opponent submits that “MONSTER” is the dominant and distinctive element, as the word “ENERGY” is “non-distinctive in relation to the relevant goods”. In my view, the word “ENERGY” is descriptive of the opponent’s energy drinks, but not of the goods at issue under this ground: *Protective covers and cases for cell phones, laptops, tablets, portable media players and other electronic devices, namely, mobile phones, smartphones, media players, music players, computers, and portable electronic devices*. Nor is it allusive. Even though both words contribute to the overall impression, it seems to me that “MONSTER” is slightly more distinctive.

*Visual comparison*

42. The opponent’s mark comprises two words, of seven and six letters. The holder’s mark is the first of these words. As I have already noted, the holder’s mark is

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<sup>9</sup> Registration of a trade mark in capital letters covers use in lower case, as stated by Professor Ruth Annand, sitting as the Appointed Person, in *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17.

presented in stylised letters. These are square, bold capitals, featuring strong lines and right angles. The “M”, “O”, “N” and “T” have a gap where the first (or in the case of the “T”, the only) vertical meets the upper horizontal line. The “T” possesses another unusual feature: there is a vertical line emerging from the bottom right side of the horizontal. The vertical line of the “R” is missing, and this is the only letter to contain a diagonal line. The whole word is then slightly slanted to the right. The preponderance of right angles gives the font a retro feel, reminiscent of the relatively early days of computing. It is my view that the marks have a medium degree of visual similarity.

#### *Aural comparison*

43. The holder’s mark has two syllables, while the opponent’s has five, the first two of which are identical to the holder’s. The opponent submits that the marks will be pronounced identically, as “MONSTER” is the dominant element of its mark. However, I found that for the relevant goods there was no dominant element and that “ENERGY” is neither descriptive nor allusive. To my mind, the two words would be spoken. The identity of the beginning of the marks leads me to find that there is a medium degree of aural similarity between them.

#### *Conceptual comparison*

44. The holder’s mark evokes a large, powerful, possibly frightening creature. The opponent’s mark could bring to mind the energy that such a creature would possess, or alternatively a large amount of energy, as the word “monster” can be used to denote something that is unusually large. Some consumers would not see the two words of the opponent’s mark as a unit, but will also think of the frightening creature. There is, in my view, a medium to high level of conceptual similarity, depending on whether the consumer sees the opponent’s mark as a unit or as two words. I should add that I consider it more likely that the consumer will see the earlier mark as two separate words, as opposed to a unit.

## Distinctiveness of the earlier mark

45. There is, as has already been noted, a greater likelihood of confusion if the earlier mark is highly distinctive. The CJEU provided guidance on assessing a mark's distinctive character in *Lloyd Schuhfabrik Meyer*:

“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).”

46. The opponent submits that its mark is inherently distinctive, as the words have no meaning in relation to the goods for which it is registered. It also submits that it has “acquired an enhanced degree of distinctiveness through the significant reputation it has built up in Earlier Trade Marks in relation to energy drinks”.

47. It is the distinctiveness of the common element that is important here. I recall the comments of Mr Iain Purvis QC, sitting as the Appointed Person, in *Kurt Geiger v A-List Corporate Limited*, BL O/075/13:

“It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.”<sup>10</sup>

48. The word “MONSTER” is found in the dictionary, but it is not descriptive of the goods for which the opponent’s mark is registered. Nor does it allude to any quality of those goods. I consider the mark to have a reasonable level of inherent distinctiveness.

49. Turning to the question of enhanced distinctiveness, I note that the opponent has provided evidence of its share of the UK market for energy drinks (see paragraph 16) and details of its marketing activities. I find that the mark has become more distinctive through use and that it was highly distinctive of the opponent’s energy drinks at the relevant date, but not for protective covers for laptops, tablets and other electronic devices. Given this, the enhanced distinctiveness does not assist the opponent in relation to this ground of opposition.

### **Conclusions on likelihood of confusion**

50. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred in paragraph 23. I must also have regard to the interdependency principle, that a lesser degree of similarity between the goods and/or services may be offset by a greater degree of similarity between the marks, and vice versa.<sup>11</sup> The distinctiveness of the earlier mark must also be taken into account.

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<sup>10</sup> Paragraph 39.

<sup>11</sup> *Canon Kabushiki Kaisa*, paragraph 17.

51. Such a global assessment does not imply an arithmetical exercise, where the factors are given a score and the result of a calculation reveals whether or not there is a likelihood of confusion. I must keep in mind the average consumer of the goods/services and the nature of the purchasing process. I note that it is generally accepted that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture he has kept in his mind.<sup>12</sup>
52. There are two types of confusion: direct and indirect. These were explained by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10:

“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 recognised 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.’<sup>13</sup>

53. I found the marks to be visually and aurally similar to a medium degree, and conceptually similar to a medium to high degree. The average consumer is likely to see the marks as they make their purchasing decision, and in the case of notebook and laptop computers will be paying a higher than average level of attention. In the case of the remaining goods at issue, I found that they would pay an average level of attention. The opponent’s mark has a reasonable degree

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<sup>12</sup> *Lloyd Schuhfabrik Meyer*, paragraph 27.

<sup>13</sup> Paragraph 16.

of inherent distinctiveness for the goods at issue, which I found to have a medium or very low degree of similarity.<sup>14</sup>

54. I found that the first word of the opponent's mark ("MONSTER") was more memorable. However, even bearing in mind the principle of imperfect recollection, the average consumer is not likely directly to confuse the marks when applied to notebook and laptop computers and the cases the consumer would buy to protect them. The combination of the additional word ENERGY and the additional stylisation means that one mark will not be mistaken for the other. I found that mouses and mouse pads had a very low degree of similarity to the opponent's goods, so there is even less likelihood of direct confusion here.
55. I now turn to indirect confusion. The stylisation of the holder's mark is a clear visual difference between it and the opponent's mark. However, it is clearly recognisable as the word MONSTER and consumers are used to seeing forms of stylisation applied to brands. Earlier I found that consumers were more likely to see the earlier mark as two separate words as opposed to it forming a unit. This means in the case before me that both elements perform an independent and distinctive role. It follows, in this case, to what I believe would be an assumption that at least in relation to the clash with notebook computers/laptops that the goods originate from the same trade (or related trade source) on the basis set out in cases such as *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (C-120/04) and the further guidance provided in cases such as *Whyte & MacKay Ltd v Origin Wine UK Ltd and Dolce Co Invest Inc* [2015] EWHC 1271 (Ch). Even if I have overestimated the significance of consumers who would see MONSTER as playing an independent distinctive role in the earlier mark, there is still in my view a significant proportion of consumers who would see it this way and, as such, a finding of confusion is still warranted. This finding does not though apply to mouses and mouse pads as the extra distance between the goods means that confusion is not likely.

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<sup>14</sup> I found notebook computers and laptop computers to be similar to no more than a medium degree, and mouses and mouse pads to have a very low degree of similarity.

## **Outcome of Section 5(2)(b) ground**

56. The opposition succeeds under section 5(2)(b) with respect to the following goods:

### Class 9

*Notebook computers, laptop computers*

57. The section 5(2)(b) ground fails with respect to the following goods:

### Class 9

*Mouses, mouse pads*

## **Section 5(3) ground**

58. Section 5(3) of the Act states that a trade mark which 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”.

59. The relevant case law can be found in the following judgments of the CJEU: *General Motors Corp v Yplon SA* (C-375/97), *Intel Corporation Inc v CPM United Kingdom Ltd* (C-252/07), *Adidas Salomon AG v Fitnessworld Trading Ltd* (C-487/07), *L'Oréal SA and others v Bellure NV and others* (C-487/07) and *Marks and Spencer v Interflora* (C-323/09). 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 Salomon*, 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 or services, the extent of the overlap between the relevant consumers for those goods or 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 or 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 or services for which the earlier mark is registered, or a serious risk that this will happen in the future: *Intel*, paragraphs 76 and 77.
- 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 on the earlier mark: *L'Oréal*, 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*, paragraph 74, and the court's answer to question 1 in *L'Oréal*.

## Reputation

60. The opponent submits that it has built up a “substantial” reputation in the UK in the 739, 158 and 563 marks in relation to non-alcoholic drinks. As the marks are EUTMs, the opponent is required to demonstrate that the reputation exists in the EU. However, the CJEU has held that the territory of a single Member State may constitute a substantial part of the EU: see *Pago International GmbH v Tirolmilch registrierte GmbH*, C-301/07. As I have already noted, sales in the UK amounted to €119.6m in 2015, €124.4m in 2016 and €153m in 2017 and a market share of more than 10%.<sup>15</sup> Sales in the EU were over €286m in 2015 and over €338m in 2016. I have also referred to the company's sponsorship of sporting events and athletes, and the company spent €119m on such sponsorship in the EU in 2015.

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<sup>15</sup> Paragraphs 14 and 16.

61. The opponent uses its website and a variety of social media platforms to engage with consumers. Mr Sacks states that the website [www.monsterenergy.com](http://www.monsterenergy.com) received more than 36 million visits between 1 September 2010 and 30 September 2017, with more than 10.3 million of these coming from individuals in the EU and more than 1.9 million from individuals in the UK. The opponent's YouTube channel has received more than 246 million views since its launch on 22 March 2006, with approximately 10 million from individuals in the UK.
62. The opponent's evidence shows that it has used its marks in relation to energy drinks. In his witness statement, Mr Sacks states that:

“Monster is in the business of designing, creating, developing, producing, marketing and selling energy drinks. Until recently, Monster also designed, created, developed, produced, marketed, and sold other beverages, such as natural sodas, fruit juices, smoothies, lemonades and iced teas (“**non-energy business**”). In June 2015, Monster transferred its non-energy business to The Coca-Cola Company.”

63. I am required to consider whether the opponent's mark had a reputation, and, if so, for which goods, in the EU at the relevant date. The relevant date is the date of application of the contested mark: 31 March 2017. It is my view that the opponent has demonstrated that the marks have a strong reputation in the EU, including the UK, on this date for energy drinks, but for no other goods.

## Link

64. 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 by the CJEU in *Intel Corporation Inc v CPM United Kingdom Limited (C-252/07)* are:
- the degree of similarity between the conflicting marks;
  - 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;

- the strength of the earlier mark's reputation;
- the degree of the earlier mark's distinctive character, whether inherent or acquired through use

*The degree of similarity between the conflicting marks*

65. The similarity of the marks must be assessed in the same way as for section 5(2), as the CJEU confirmed in *Adidas Salomon*:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 *in fine*, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 *in fine*).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

66. Earlier in this decision, I found that the holder's mark had a medium degree of visual and aural similarity, and a medium to high degree of conceptual similarity to the opponent's 744 mark, which is identical to the 563 mark.

67. The 158 mark consists of the word “MONSTER”. Only the stylisation of the holder’s mark differentiates the two. I find them to be visually highly similar and aurally and conceptually identical.
68. The 739 mark is the figurative mark seen on the opponent’s cans and displayed prominently at the sporting events with which the opponent is involved. This consists of a device with three slightly jagged vertical lines, which is referred to by the opponent as “the Claw Icon”.<sup>16</sup> It also resembles the letter “M”. The device is shown on a black background and below it can be found in white stylised capital letters with grey borders the word “MONSTER”. Below that word in smaller green capital letters in a standard font is the word “ENERGY”. I have reproduced the mark below in a larger size to illustrate the verbal elements more clearly:



On comparing the holder’s mark with this earlier mark, I find that they have a very low degree of visual similarity. The only common element is the word

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<sup>16</sup> See paragraph 3 of Mr Sacks’s witness statement.

“MONSTER” and these are presented very differently. Furthermore, the opponent’s earlier mark’s overall impression lies in the mark as a whole – both the device and the words together. Aurally, they are similar to a medium degree, as the device will not be verbalised. The word “ENERGY” does describe the opponent’s goods, but it is my view that the word would be spoken. Conceptually, the Claw icon evokes a frightening beast, while the holder’s mark may bring to mind something large and powerful, rather than necessarily frightening. There is overlap in meaning, so I find that the marks are conceptually similar to a medium degree.

*The nature of the goods and 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*

69. The goods to be compared are as follows:

Opponent’s Goods	Contested Goods
Energy drinks	Laptop computers Notebook computers Mouses Mouse pads

70. I consider that the goods are dissimilar. Their nature is different: the opponent’s goods are liquids, intended for consumption by humans; the contested goods are electronic devices and accessories to be used for managing information and accessing entertainment services. There is likely to be some overlap in the users. The contested goods will be used by members of the general public in a private capacity and will be purchased by businesses for their employees to use. The users of the opponent’s goods will also be members of the general public. The opponent describes its target market as young men, who will also use the contested goods, but this in itself is not sufficient to overcome the stark differences in nature, purpose and trade channels.

*The strength of the earlier marks' reputation*

71. I have found that the earlier marks have a strong reputation in the UK for energy drinks.

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

72. I have already found that the phrase "MONSTER ENERGY" (which makes up the 563 mark) had an average degree of inherent distinctiveness, which had been enhanced to a high degree through use in respect of energy drinks. I find this is also the case for the 158 mark. The 563 mark (the device mark) has a high level of inherent distinctiveness, which has been enhanced through use to a very high level.

*Whether there is likelihood of confusion*

73. Given the dissimilarity of the goods, there is no likelihood of confusion.

*Conclusion*

74. In drawing my conclusions on whether the average consumer will make a link between the marks, I have taken account of the General Court's judgment in *Puma SE v EUIPO*, T-62/16, where it noted that:

"The dissimilarity between the goods designated respectively by the marks at issue is therefore not a sufficient factor for excluding the existence of a link between those marks, bearing in mind also that the existence of such a link must be assessed globally, that is to say, by taking into account all of the relevant factors of the case".<sup>17</sup>

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<sup>17</sup> Paragraph 100.

75. Even in the case of the 158 mark, which is the closest to the holder's mark, I find that the consumer is unlikely to make a link, on account of the dissimilarity between the goods and the average level of inherent distinctiveness of the word "MONSTER". It follows that there would be no link in the case of the other marks. Where there is no link, there can be no damage under section 5(3).

### **Outcome of Section 5(3) ground**

76. The section 5(3) ground fails.

### **Section 5(4)(a) ground**

77. Section 5(4)(a) of the Act states that:

"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 or law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [...]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of 'an earlier right in relation to the trade mark'.

78. In *Reckitt & Colman Products Ltd v Borden* [1990] RPC 341 HL, Lord Oliver set out the essential requirements for establishing a successful claim of passing off:

"First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling

or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services.

Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to the belief that the goods or services offered by him are the goods or services of the plaintiff.

Thirdly, he must demonstrate that he suffers or, in a *quia timet* action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

79. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Mr Daniel Alexander QC, sitting as the Appointed Person, considered the relevant date for the purpose a section 5(4)(a) claim. He noted that:

"42. ... it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd v RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd v Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: 'date of commencement of the conduct complained of'. If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM O/212/06* Mr Alan James acting for the Registrar well summarised the position in s. 5(4)(a) proceedings as follows:



‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”

80. The holder has not claimed or filed any evidence that it has been using its mark before the date of designation (31 March 2017), so this is the relevant date for the purposes of section 5(4)(a).

### **Goodwill**

81. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

82. The opponent claims that it has goodwill in the UK in relation to a business in *drinks*, and that the following signs are distinctive of its drinks:

MONSTER  
MONSTER ENERGY



83. I consider that the sales figures provided are sufficient to find that the opponent has a substantial goodwill in the UK in a business selling energy drinks. I also accept that the signs above were distinctive of those products at the relevant date.

**Misrepresentation**

84. I will now consider whether there is misrepresentation. The relevant test was set out by Morritt LJ in *Neutrogena Corporation and another v Golden Limited and another* [1996] RPC 473:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 at page 407 the question on the issue of deception or confusion is:

‘is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants’ [product] in the belief that it is the respondents’ [product].

The same proposition is stated in Halsbury’s Laws of England 4<sup>th</sup> Edition Vol. 48 para. 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147 at

page 175; and *Re Smith Hayden's Application* (1945) 63 RPC 97 at page 101.”

85. *Halsbury's Laws of England* Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309, it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

86. It is not essential under the law of passing off for the parties to be engaged in the same field of business activity: see *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA). Nevertheless, I find that there is no misrepresentation. I do not see how use of the contested mark in relation to laptop computers, notebook computers, mice and mouse pads would cause a substantial number of the opponent’s customers or potential customers to believe that the holder’s goods are connected in any way with the opponent, given the differences between the opponent’s signs and the holder’s mark and the distance between the respective business activities.

### **Outcome of section 5(4)(a) ground**

87. The section 5(4)(a) ground fails.

### **Conclusion**

88. The application by Fokus Bilgisayar Sanayi ve Ticaret Limited Sirketi may proceed to designation in respect of the following goods:

#### Class 9

*Mouses, mouse pads.*

## **Costs**

Both parties have had some success in these proceedings, with the success on the face of it being shared equally. It is the case that the holder chose to limit its specification at a late stage in these proceedings. However, it appears to me that an earlier limitation would not have materially affected the level of evidence or substance of the submissions. In the circumstances, I make no award of costs.

**Dated 8 April 2019**

**Clare Boucher  
For the Registrar,  
Comptroller-General**