

O/564/19

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. UK00003274763 BY
HELL ENERGY LIMITED
TO REGISTER THE FOLLOWING TRADE MARK:**

HELL ENERGY

IN CLASSES 3 AND 43

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 411993 BY
HELL ENERGY MAGYARORSZAG KFT**

BACKGROUND AND PLEADINGS

1. On 4 December 2017, Hell Energy Limited (“the applicant”) applied to register the trade mark **HELL ENERGY** in the UK. The application was published for opposition purposes on 2 February 2018. The specification for which registration is sought (as amended)¹ is as follows:

Class 3 Makeup; Make-up kits; Mascara; Masks (Beauty -); Massage oil; Shampoo; Skin care (Cosmetic preparations for -); Soaps.

Class 43 Restaurants; Bars; Hotels; Cafés; Cafeterias; Catering.

2. On 20 March 2018, the application was opposed by Hell Energy Magyarország Kft (“the opponent”) based upon sections 5(2)(a) and 5(3) of the Trade Marks Act 1994 (“the Act”). However, following an amendment which removed all of the goods opposed under section 5(2)(a) from the applied for specification, the opposition now proceeds under section 5(3) only.

3. The opponent relies on its EUTM registration no. 14749253 for the trade mark **HELL ENERGY**, which was filed on 30 October 2015 and completed its registration procedures on 23 December 2016. The opponent claims that it has a reputation in respect of all goods for which the earlier mark is registered, namely:

Class 32 Energy drinks.

4. The opponent claims that use of the applicant’s mark would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character and/or reputation of the earlier marks.

5. The applicant filed a counterstatement denying the claim made.

¹ The applicant’s specification was amended following the filing of a Form TM21b on 20 September 2018.

6. The applicant is unrepresented. The opponent is represented by Gowling WLG (UK) LLP. The opponent filed evidence in the form of the witness statement of Erno Barabas dated 28 January 2019. No evidence was filed by the applicant. Neither party requested a hearing and only the opponent filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE

7. As noted above, the opponent's evidence consists of the witness statement of Erno Barabas dated 28 January 2019; which is accompanied by 19 exhibits. Mr Barabas is the managing director of the opponent. I have read Mr Barabas' evidence in its entirety and, in particular, I note as follows:

- a) The opponent's brand was established in Hungary in 2006; it manufactures and sells a range of energy drinks across 50 countries worldwide²;
- b) The opponent is the second-largest soft drink maker in Hungary and has a 34% market share³;
- c) The opponent is also in the top 10 energy drink brands in Bulgaria, Croatia, Latvia, Lithuania, Cyprus, Greece, Romania and Slovakia⁴;
- d) A print out dated 25 January 2019 shows the opponent's energy drink product for sale online at Tesco⁵;
- e) In 2009, the opponent sponsored UK-based Williams Formula One team⁶ as well as various athletes and sporting events which appear to mainly target European audiences;

² Witness statement of Mr Barabas, para. 4

³ Witness statement of Mr Barabas, para. 8

⁴ Witness statement of Mr Barabas, para. 8 and Exhibit EB3

⁵ Exhibit EB4

⁶ Witness statement of Mr Barabas, para. 18

f) In 2018, the opponent entered into a partnership with Bruce Willis which has led to an advertising campaign across Europe⁷;

g) The opponent's products have been referenced in a variety of Hungarian press releases, with only two examples of press releases in the UK (on websites talkingretail.com and campaignlive.co.uk dated 8 June 2009 and 20 November 2009)⁸;

h) The opponent has won awards in Hungary, as well as some broader awards such as winning "Best New Market Entrant" and "Best Energy Drink" at the World Food Exhibit in Moscow 2008⁹;

i) Between 1 January 2018 and 17 October 2018, the opponent's website had 12,614 users from Hungary and 349 users from the UK¹⁰;

j) In 2017, the opponent had net Hungarian domestic sales of 13,313,160,000 HUF and net external sales of 18,459,394,000 HUF, although the external sales are not broken down by country¹¹; and

k) Mr Barabas considers that, as it is not uncommon for well-known sports stars and brands to sell their own branded toiletry products, and because the opponent has connections with various athletes through their promotional activities, that any such goods bearing the words HELL ENERGY would be linked with the opponent by the consumer¹².

8. The opponent also filed written submissions in lieu of a hearing. Whilst I do not propose to summarise those here, I have taken them into consideration, and will refer to them below where necessary.

⁷ Witness statement of Mr Barabas, para. 28 and 29

⁸ Witness statement of Mr Barabas, para. 33 and 34 and Exhibit EB13

⁹ Witness statement of Mr Barabas, para. 35

¹⁰ Witness statement of Mr Barabas, para. 38

¹¹ Exhibit EB17

¹² Witness statement of Mr Barabas, para. 50 and 51

DECISION

9. Section 5(3) of the Act states:

“5(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 European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

10. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, an 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

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b) subject to its being so registered.”

11. The EUTM upon which the opponent relies, qualifies as an earlier trade mark under the above provisions. As the opponent’s mark had not completed its registration process more than 5 years before the publication date of the application in issue in these proceedings, it is not subject to proof of use pursuant to section 6A of the Act.

Section 5(3) – case law

12. The relevant case law can be found in the following judgments of the Court of Justice of the European Union (“CJEU”): Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows:

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

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

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

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

(f) Detriment to the distinctive character of the earlier mark occurs when the mark’s ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a

change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

13. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the earlier marks have achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the later mark. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of the types of damage claimed will occur and/or that the contested

mark will, without due cause, take unfair advantage of the reputation and/or distinctive character of the reputed mark. It is unnecessary for the purposes of section 5(3) that the goods and services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

14. The relevant date for the assessment under section 5(3) is the date of the application i.e. 4 December 2017.

Reputation

15. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

16. In determining whether the opponent has demonstrated a reputation for the goods in issue, it is necessary for me to consider whether its mark will be known by a

significant part of the public concerned with the goods. In reaching this decision, I must take all of the evidence into account including “the market share held by the trade mark, the intensity, geographical extent and duration of use, and the size of the investment made by the undertakings in promoting it.”

17. As the earlier mark is an EUTM, the mark must have a reputation in a substantial part of the EU. The majority of the opponent’s evidence focuses on use of its mark in Hungary, where the opponent is the second largest soft-drink maker with a 34% market share. It is clear to me that the opponent has a strong reputation in Hungary. The opponent’s evidence shows that it is also in the top 10 energy drink providers in a number of other EU countries. The evidence in relation to use in the UK is limited and, in my view, the lack of evidence of sales and market share information means that the opponent’s evidence falls short of demonstrating a reputation in the UK. Whilst there are two examples of references to the opponent’s mark being launched in the UK on websites, it is not clear whether these websites are aimed at trade or consumers and no figures are provided as to how many UK visitors access these websites. Taking the evidence into account, I am satisfied that the opponent’s reputation in Hungary and other EU member states is sufficient to demonstrate a strong reputation in the EU for energy drinks.

Link

18. As I noted above, my assessment of whether the public will make the required mental ‘link’ between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

The marks are self-evidently identical.

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 opponent's mark has a reputation for energy drinks and the applicant's mark covers a range of cosmetics and toiletry products, as well as a range of restaurant, catering, hotel and bar services.

The opponent submits that because energy drinks can be served in such outlets that there is similarity between the goods and services. In my view, this is not sufficient for a finding of similarity. The goods and services differ in nature, use and method of use. They are not in competition or complementary¹³.

The opponent argues that because sports brands are known to start their own toiletry ranges, and the opponent is linked with some sporting brands through sponsorship, this will cause the consumer to make a link between these goods. No evidence is provided to support this claim. In my view, this alleged connection is too tenuous. There is no similarity in trade channels, nature, method of use or purpose.

I consider the goods and services to be dissimilar.

The strength of the earlier mark's reputation

The opponent's mark has a strong reputation in Hungary and some other European countries, specifically, Bulgaria, Croatia, Latvia, Lithuania, Cyprus, Greece, Romania and Slovakia.

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

The opponent's mark consists of the words HELL ENERGY. The word ENERGY is, clearly, descriptive of energy drink products. The word HELL is an ordinary dictionary word but has no particular connection with the goods.

¹³ *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06

Overall, I consider the opponent's mark to be inherently distinctive to a medium degree. As the opponent's evidence does not demonstrate any sales or market share in the UK, and it is the UK market that is relevant for an assessment of enhanced distinctiveness, I do not consider that the distinctiveness of the opponent's mark has been enhanced through use.

Whether there is a likelihood of confusion

As only the opposition based upon section 5(3) has proceeded, I have not considered whether there would be a likelihood of confusion. However, as I have found the goods and services for which the marks are registered to be entirely different, and some degree of similarity between the goods and services is required under section 5(2), there can be no likelihood of confusion.

19. In *China Construction Bank Corporation v Groupement Des Cartes Bancaires*, (Case BL O/281/14), Mr Purvis Q.C., sitting as the Appointed Person, stated:

"40. ... I believe that the ultimate decision under s5(3) was nonetheless correct. In order to succeed under s5(3), the opponent has to show either that the distinctive character or repute of its earlier mark would be damaged by reasonable and fair use of the mark applied for, or that such reasonable and fair use would take unfair advantage of the reputation of its earlier mark. The reasonable and fair use of the mark applied for can only be use in the United Kingdom, since this is the entire territorial scope of the application.

41. If the reputation of the earlier mark does not extend to the United Kingdom, it is difficult to see how (at least in the usual case) it could be damaged by use of a mark in the United Kingdom, or that such use could be said to take unfair advantage of the earlier mark. For one thing, the necessary 'link' between the marks in the mind of the average consumer which must be established in any case which relies on the extended protection (see *Adidas-Saloman v Fitnessworld* [2004] ETMR 10) would not exist. There is certainly no evidence in the present case which explains how any 'link' could be made in the UK absent of a reputation here." (my emphasis)

20. Notwithstanding the opponent's strong reputation in Hungary (and some other European countries), it has failed to explain, or explain adequately, how any link could be made in the mind of UK consumers absent a reputation here. Consequently, the objection under section 5(3) must fail.

21. The opposition under section 5(3) fails.

CONCLUSION

22. The opposition has failed in its entirety and the application can proceed to registration.

COSTS

23. Awards of costs are governed by TPN 2/2016. The applicant has been successful and would normally be entitled to a contribution towards its costs. However, as the applicant is unrepresented, at the conclusion of the evidence rounds the tribunal wrote to the applicant and invited it to indicate whether it intended to make a request for an award of costs. The applicant was informed that, if so, it should complete a pro-forma, providing details of its actual costs and accurate estimates of the amount of time spent on various activities in the defence of the opposition. The applicant was informed that "costs, other than official fees arising from the action... may not be awarded" if the pro-forma was not completed. The applicant did not file a completed pro-forma. That being the case, I make no award of costs.

25 September 2019

S WILSON

For the Registrar