

O/237/20

TRADE MARKS ACT 1994 (AS AMENDED)

TRADE MARK REGISTRATION No. 3267310

IN THE NAME OF CELEX INTERNATIONAL LIMITED

AND

APPLICATION No. 502585

BY SAPPE PUBLIC COMPANY LIMITED

FOR A DECLARATION THAT THE TRADE MARK IS INVALID

AND FOR THE CANCELLATION OF THE REGISTRATION

Background and pleadings

1. This is an application by Sappe Public Company Limited of Thailand (“the applicant”) to invalidate UK trade mark registration 3267310, which was registered by Celex International Limited (“the proprietor”).

2. The application to register the contested trade mark was filed on 31st October 2017 (“the relevant date”) and the mark was registered on 19th January 2018.

3. The contested trade mark consists of the words MOKKU MOKKU. The mark is registered in class 32 in relation to:

Mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices; syrups and other preparations for making beverages.

4. The application to invalidate the registration of the contested mark was filed on 2nd May 2019. The grounds for invalidation are as follows:

- (i) The applicant is the owner of earlier EU trade mark 13443544, which consists of the words MOGU MOGU in the slightly stylised form shown below.

MOGU MOGU

- (ii) It is also the owner of earlier EU marks 12553781, 14407051, 14407068, 14407126 and 14407084, all of which consist of the mark shown above either on a three-dimensional container with a label (in the case of 12553781) or just a label (in the case of the other four marks);
- (iii) All of the EU marks are registered in class 32 in relation to, inter alia, non-alcoholic beverages;

- (iv) The contested mark is similar to the earlier marks and the goods are the same;
- (v) The proprietor is using the contested mark in relation to goods which feature an almost identical bottle and packaging to that used by the applicant;
- (vi) There is a likelihood of confusion on the part of the public;
- (vii) The earlier EU marks have a reputation in the EU and use of the contested mark would, without due cause, take unfair advantage of, or be detrimental to, the reputation and/or distinctive character of the earlier marks;
- (viii) The earlier mark MOGU MOGU has been in use for a number of years prior to the relevant date; the applicant knew of such use and made its application in bad faith with the intention of taking unfair advantage of the reputation of the earlier mark;
- (ix) Registration of the contested mark was therefore contrary to ss.3(6), 5(2)(b) and 5(3) of the Trade Marks Act 1994 ("the Act").

5. The proprietor filed a counterstatement denying the applicant's grounds for invalidating the registration of the contested mark. I note that the proprietor:

- (i) Admits that the respective goods are the same or similar;
- (ii) Denies that the earlier marks are similar to the contested mark or that there is a likelihood of confusion;
- (iii) Denies that the earlier marks have the necessary reputation to invoke s.5(3) of the Act and puts the applicant to proof of the existence of such a reputation;
- (iv) Denies that it made the application to register the contested mark with the intention of deceiving the public or in bad faith;
- (v) In response to the applicant's complaint that it is using the contested mark in relation to goods sold in an almost identical bottle and with

almost identical packaging to that used by the applicant, the proprietor says that:

“All and every reference made by the Applicant for Cancellation to the manner in which the registered proprietor may or may not be using their trade mark is irrelevant to these proceedings and should be disregarded.”

Representation

6. The applicant is represented by Rapisardi Intellectual Property Limited. The proprietor is represented by Oakleigh IP Services Limited. The applicant filed evidence and written submissions in support of its application. The proprietor relies solely on its counterstatement. Neither side requested a hearing. Consequently, this decision is based on the papers on file.

The applicant’s evidence

7. The applicant’s evidence consists of a short witness statement dated 5th November 2019 by Ms Wimonrat Srisuwacharee, who is Assistant Vice President of the applicant company. Ms Srisuwacharee says that the six earlier EU marks relied on by the applicant were first used in the UK in 2014 in relation to the goods for which they are registered. In support of this claim she provides copies of six invoices for MOGU MOGU products bearing UK addresses. Four of these documents’ pre-date the relevant date. The earliest is dated 24th February 2014. The latest is dated 15th March 2017¹. These show sales of approximately €11k, €11k, Thb365k and Thb365K, respectively, under the MOGO MOGU mark. The invoices and associated shipping documents show that soft drinks bearing the mark were shipped to two addresses in the UK.

8. Ms Srisuwacharee also provides copies of similar invoices bearing addresses in France, the Netherlands, Italy, Poland and Sweden, all of which pre-date the

¹ See exhibits WS1 – WS4.

relevant date². The volume of sales shown in these invoices is similar in scale to that shown in the UK invoices.

9. Also in evidence are pictures of the MOGU MOGU trade mark on product packaging, as well as various of the earlier marks on bottles of soft drinks in chiller cabinets in shops. I note that the only picture with a visible date is dated 31st March 2019, i.e. after the relevant date.

10. Extracts from the applicant's current .com website are also in evidence³. I note that the website contains a section called 'MOGU MOGU AROUND THE WORLD', which contains details of some international advertising and promotional events.

11. I note that in written submissions filed at the same time as Ms Srisuwacharee's statement, the applicant's representative provided a picture of the proprietor's product and a picture of the applicant's product. The shape of the bottles, as well as the get-up on them, appears virtually identical. Further, the respective marks are applied at the same place on the bottles, and in roughly the same size letters.

The relevant law

12. The earlier marks were registered in 2014 or 2015. None of them had been registered for 5 years prior to the relevant date, or the date the applicant filed its application for invalidation. Consequently, they are not subject to proof of use under s.47 of the Act.

13. The relevant legal provisions (so far as relevant) are set out below:

"47. (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

² See exhibits WS8 -WS11, WS12 – WS16, WS18 – 19 and WS20 - 21

³ See exhibits WS41 -WS43

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(2) Subject to subsections (2A) and (2G), 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) -

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

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(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are-

(a) -

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

(3) -

(4) -

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) -."

14. Section 5(2)(b) of the Act is as follows:

“5(2) A trade mark shall not be registered if because-

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

15. Section 5(3) states:

“(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 the repute of the earlier trade mark.

16. Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

The s.5(2)(b) ground

17. The applicant submits that the way the proprietor uses the contested mark, i.e. in a very similar bottle bearing almost identical get-up, should be taken into account in assessing the likelihood of confusion. The proprietor says that this is irrelevant. I accept the proprietor’s submission so far as the s.5(2)(b) ground for invalidation is concerned. It is well established that the likelihood of confusion must be assessed against normal and fair use of the later mark. In the case of a word-only mark this

does not include similarities arising from the packaging used for the goods, or the get-up applied to such packaging⁴.

18. It follows that the applicant's earlier EU marks, which include packaging and/or get-up, add nothing to its s.5(2) case based on the slightly stylised word mark shown at paragraph 4(1) above. I will therefore limit my assessment under s.5(2) to earlier trade mark EU13443544.

The relevant case law

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

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

⁴ See, by analogy, *J.W. Spear & Sons Ltd and Others v Zynga Inc.* [2015] EWCA Civ 290 concerning matter the irrelevance of matter extraneous to the earlier mark and *O2 Holdings Limited, O2(UK) Limited v Hutchison 3G UK Limited*, Case C-533/06, in which the CJEU held that the context in which the later mark is used may be relevant in infringement proceedings, but not registration proceedings.

(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) 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;

(f) 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;

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

(h) 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;

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

Comparison of goods

20. The earlier trade mark is registered for:

Non-alcoholic beverages, namely, mineral water, fruit juices, soda water, drinking water, aloe vera mixed drink, fruit juices with Nata de coco, energy drink and sport drinks, non-alcoholic functional drinks containing vitamins and nutrients, not for medical purposes; beer.

21. There is no dispute that the goods covered by the contested mark are the same or similar to these goods. I find that the earlier mark covers identical goods to *mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices*. Further, although *syrops and other preparations for making beverages*, are not identical to the goods covered by the earlier mark, they are products for making up into goods which are identical. This means that they share the same nature and purpose. The respective goods may also be in competition because consumers may choose between products for making up into soft drinks and ready-made soft drinks. I therefore find that *syrops and other preparations for making beverages* are highly similar to the non-alcoholic beverages covered by the earlier mark.

The average consumer and the selection process

22. 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*⁵.

23. The average consumer of soft drinks is a member of the general public. These are relatively low-cost everyday consumer items. It is therefore likely that they will be selected with a below-average degree of attention.

24. The selection process is likely to be a mainly visual one. This is because the goods are likely to be selected from paper or online advertisements and/or from shopping aisles. However, word-of-mouth recommendations may also play some part in the selection process, so the way the marks sound is also relevant, albeit to a lesser degree than the way they look.

⁵ Case C-342/97

The distinctive character of the earlier mark

25. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*⁶, the CJEU stated that:

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

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

26. Although stylised (including the downward sloping angle of the mark from left to right), the words MOGU MOGU are clearly the dominant and distinctive element of the earlier mark. In my view, the slight stylisation and the angle of the words will have a negligible impact on average consumers.

27. The words MOGU MOGU are not descriptive of any characteristic of soft drinks. MOGU appears to be (and will be understood by average UK consumers as) an

⁶ Case C-342/97



invented word. It is therefore a sign with an above-average degree of inherent distinctive character. The repetition of the word adds a little more distinctiveness to the earlier mark.

28. The applicant submitted evidence of use of the mark in the UK. However, it has not provided sales figures or the amount spent promoting the mark in the UK. The four UK invoices in evidence from prior to the relevant date cover sales of roughly £30K - £35K worth of MOGO MOGU soft drinks. There is no evidence about the size of the UK soft drinks market, but I would expect that it runs into hundreds of millions of pounds, if not billions. Therefore, the invoices in evidence do not establish that the earlier mark had acquired a significant share of the UK market for soft drinks by the relevant date. Further, it is not clear how much, if any, promotion of the mark had taken place in the UK. In these circumstances, I find that the applicant has not shown that the distinctive character of the earlier mark had been materially enhanced to UK consumers as a result of use of the earlier EU trade mark prior to the relevant date.

Comparison of marks

29. It is clear from *Sabel BV v. Puma AG*⁷ (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 respective trade marks are shown below:

	
Earlier trade mark	Contested trade mark

⁷ Case C-251/95

30. The applicant's representative submits that:

- (i) Both marks begin with MO- and end with -U;
- (ii) Both marks consist of a repetition of the same word;
- (iii) The words MOGU and MOKKU both have two syllables;
- (iv) The marks are phonetically identical.

31. There is no doubt that points (i) to (iii) are correct. As to point (iv), I find that the earlier mark is likely to be spoken as MOG-OO or MO-GOO. The contested mark is likely to be spoken as MOCK-OO or MO-KOO. The only difference is in the sound of the middle of the marks, which in this case will make less impact than the initial MO-sound and the -OO sound at the ends. Further, at least in the context of these marks, the verbalisation of the letters 'G' and 'KK' will not create a sharply different sound. Further still, the repetition of the similar sounding words adds an additional degree of overall aural similarity. I therefore find that the marks are aurally similar to a high degree.

32. The earlier mark has four letters x 2, whereas the contested mark is comprised of 5 letters x 2. Further, the contested mark has a double 'K' whereas the earlier mark has only a single 'G'. Set against that, both marks consist of repetitions of relatively short words both beginning with MO- and ending in -O. This creates a certain degree of visual similarity between the marks. Weighing this against the visual differences between the marks, I find them to be visually similar to a medium degree. I would have come to the same conclusion even if I had found that the impact of the stylisation and angle of the words making up the contested mark was more than negligible. This is because, even if they are not negligible, the impact of these features will only contribute in a minor way to the overall visual impression created by the contested mark.

33. Neither mark has any apparent meaning, so a conceptual comparison is not possible.

Likelihood of confusion

34. Taking account of the:

- (i) identity or close similarity of the goods;
- (ii) relatively high degree of inherent distinctive character of the earlier mark;
- (iii) below-average degree of attention average consumers are likely to pay during the selection process;
- (iv) medium degree of visual similarity between the marks;
- (v) high degree of aural similarity between the marks;
- (vi) fact that the average consumer 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;

- I find that there is a likelihood of a material degree of direct visual confusion through imperfect recollection of the earlier mark or the contested mark. I also find that there is a likelihood of a material degree of aural confusion. I therefore find that there is an overall likelihood of sufficient confusion to satisfy the requirements of s.5(2)(b) of the Act⁸.

35. For the avoidance of doubt, I would have come to the same conclusion even if I had found that average consumers pay a normal or 'medium' degree of attention when selecting soft drinks.

36. The ground for invalidation of the trade mark under s.47(2) of the Act based on s.5(2)(b) succeeds accordingly.

The s.5(3) ground

37. It is again necessary to consider the s.5(3) case based on earlier EU trade mark 13443544. It is also necessary to consider the case based on earlier EU three-

⁸ See *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41

dimensional trade mark 12553781, which is shown below. It includes the bottle and get-up the applicant accuses the proprietor of copying.



38. The applicant relies on the proprietor's use of look-a-like get-up and packaging in association with the contested mark, as support for its claim that the contested mark was registered, and is used, with the intention of taking unfair advantage of the earlier EU marks.

39. The proprietor's position appears to be that such use is irrelevant to the s.5(3) assessment, for the same reason that it is irrelevant under s.5(2), i.e. because the get-up/packaging at issue forms no part of the contested trade mark.

40. I note that EU's General Court dealt with a similar dispute in *The Coca Cola Company v OHIM and Another*⁹. In its judgment of 11th December 2014¹⁰ the court held that:

“86. In the present case, it is common ground that, during the opposition proceedings, Coca-Cola provided evidence relating to Mitico's commercial use of the mark in respect of which registration was sought. That evidence included a witness statement by L. Ritchie, Coca-Cola's lawyer, dated 23 February 2011, to which she appended screen shots of Mitico's website, www.mastercola.com, printed on 16 February 2011. Those screen shots were

⁹ See case T-480/12

¹⁰ See also the later judgment of the General court in the same case: T-61/16

intended to show that Mitico was using the mark applied for in the course of trade in the form shown below:



87. In paragraph 34 of the contested decision, the Board of Appeal stated that, if, on the basis of that evidence, it were proved to be true that Mitico had ‘deliberately adopted the same get-up, imagery, stylisation and font and packaging’ as Coca-Cola, then the latter ‘could reasonably argue that [Mitico] intended to illegitimately take advantage of the repute of the earlier trade marks. However, it could not do so in the context of the specific provision of Article 8(5) [of Regulation No 207/2009], which must only take into account [Mitico’s] mark for which registration is sought’.

88. It must be pointed out that the above assessment by the Board of Appeal departs from the case-law cited in paragraphs 82 to 85 above, pursuant to which, in essence, a finding of a risk of free-riding made on the basis of Article 8(5) of Regulation No 207/2009 may be established, in particular, on the basis of logical deductions resulting from an analysis of the probabilities and by taking account of the usual practices in the relevant commercial sector as well as all the other circumstances of the case, including the use, by the proprietor of the mark applied for, of packaging similar to that of the goods of the proprietor of the earlier trade marks. That case-law therefore in no way limits to the mark applied for the relevant evidence to be taken into consideration for the purposes of establishing a risk of free-riding (the risk that unfair advantage will be taken of the distinctive character or the repute of the earlier trade marks), but allows account also to be taken of any evidence intended to facilitate that analysis of the probabilities as regards the intentions

of the proprietor of the trade mark applied for, and — a fortiori — any evidence relating to the actual commercial use of the mark applied for.”

41. I take this to mean that for the purposes of s.5(3), I can take into account the way the contested mark is used as part of my determination of whether the proprietor intends to take advantage of the reputation of the earlier marks (assuming they had one), which may be relevant to the ultimate question of whether any advantage gained is unfair. However, the answer to that question depends on whether use of the contested mark, by itself, would take unfair advantage of the reputation of the earlier EU trade marks.

42. In my view, the contested word-only mark is similar enough to the earlier EU marks for the use of the former to have the capacity to take unfair advantage of the reputation and distinctive character of the latter. Therefore, if the applicant has established that the proprietor has used a look-a-like bottle and get-up, that is potentially relevant to the applicant's s.5(3) ground.

43. The principal case law covering this legal provision can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L'Oréal 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'Oréal 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'Oréal v Bellure*).

Reputation

44. In *General Motors* 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.”

45. As the earlier marks are EU trade marks, the relevant territory is the EU. Showing that the earlier marks have a reputation in the UK would be sufficient to

show that they also have a qualifying reputation in the EU. However, I have already rejected the applicant's case that the earlier MOGU MOGU mark had acquired an enhanced level of distinctiveness in the UK through use prior to the relevant date¹¹. For the same reasons, I find that the applicant has not shown that the earlier EU marks had a reputation in the UK.

46. The applicant has also provided examples of invoices showing trade under the MOGU MOGU mark, prior to the relevant date, in France, the Netherlands, Italy, Poland and Sweden. However, in the absence of sales figures for these places, or for the EU, it is impossible to know what share of the very large EU market for soft drinks the earlier marks held at the relevant date. Similarly, the evidence about the existence of a .com website promoting the earlier trade marks is insufficient to make up for the absence of any information about the amount spent promoting the earlier mark in the EU, and the very scant evidence of any specific promotion of the earlier marks EU marks. Additionally, the earlier MOGU MOGU mark only appears to have been used in the EU for about 3.5 years prior to the relevant date. Consequently, the use of the earlier marks cannot be said to have been particularly longstanding at that date. For these reasons, I find that the applicant's evidence is insufficient to establish the earlier EU marks had a qualifying reputation.

47. The s.5(3)-based ground for invalidation therefore fails.

The bad faith ground

48. In *Sky v Skykick*¹² the Court of Justice of the EU recently provided further clarification about the purpose and scope of article 3(2)(d) of the Trade Marks Directive (which is given effect in the UK by s.3(6) of the Act). This is as follows:

"74. The Court has held that in addition to the fact that, in accordance with its usual meaning in everyday language, the concept of 'bad faith' presupposes the presence of a dishonest state of mind or intention, regard must be had, for

¹¹ See paragraph 28 above.

¹² Case C-371/18

the purposes of interpreting that concept, to the specific context of trade mark law, which is that of the course of trade. In that regard, the EU rules on trade marks are aimed, in particular, at contributing to the system of undistorted competition in the European Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin (judgment of 12 September 2019, Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO, C-104/18 P, EU:C:2019:724, paragraph 45 and the case-law cited).

75. Consequently, the absolute ground for invalidity referred to in Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of First Directive 89/104 applies where it is apparent from relevant and consistent indicia that the proprietor of a trade mark has filed the application for registration of that mark not with the aim of engaging fairly in competition but with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties.”

49. Therefore, making a trade mark application with the intention of undermining, in a manner inconsistent with honest practices, the interests of a third party, amounts to an act of bad faith. Further, it is apparent from earlier case law¹³ that:

- (i) The matter must be judged at the relevant date taking account of all relevant factors;
- (ii) The applicant's intention is a subjective factor which must be determined by reference to the objective circumstances of case;
- (iii) It is necessary to ascertain what the applicant knew at the relevant date;
- (iv) Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date;

¹³ See *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) and the case law cited in that judgment.

- (v) An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability);
- (vi) The applicant's behaviour must be judged against honest commercial practices in the relevant trade (as opposed to the applicant's own perception of honest behaviour).

50. The applicant's case is basically that (a) the proprietor must have known about the international reputation of the MOGU MOGU mark when it filed its application to register the contested mark, (b) the use of look-a-like get-up and packaging shows that the proprietor intended to take unfair advantage of the reputation of the earlier mark, and (c) this is inconsistent with honest practices in commercial matters and amounts to an act of bad faith.

51. The proprietor denies that it acted in bad faith and puts the applicant to proof of the claimed reputation of the earlier EU marks. The proprietor filed no evidence of its own explaining its reasons for registering the contested trade mark. Therefore, if the applicant has established a *prima facie* case of bad faith, the applicant's claim will succeed.

52. However, there is an evidential difficulty with this aspect of the applicant's case; namely, that the applicant's claim that the proprietor is using look-a-like get-up/packaging in association with the contested mark has not been substantiated in evidence. The applicant's only witness says nothing at all about this matter. The written submissions filed by the applicant's representative, which purport to show pictures of the proprietor's MOKKU MOKKU product, are not subject to a statement of truth. Further, no information has been provided as to where these pictures were taken, by whom, or when. None of this would matter if the proprietor had admitted the applicant's claim that it uses an almost identical bottle and get-up, but it has not. It has simply dismissed it as irrelevant. In these circumstances, I do not consider it safe to find that the proprietor is using look-a-like get-up/packaging in association with the contested mark.

53. The proprietor's silence on this matter leaves me with serious doubts as to whether the contested trade mark was filed in good faith. However, the inadequacy of the applicant's evidence means that it has not established one of the principal facts on which it relies to support its *prima facie* case of bad faith.

54. Any reputation the earlier EU trade marks might have had in the EU at the relevant date appears to have been modest. Further, the applicant has also failed to establish that the earlier EU trade marks had the sort of international reputation claimed. Against this background I find that the applicant's failure to substantiate the facts it relies to establish that the contested mark was registered with the intention of taking advantage of the reputation of the earlier EU trade mark is fatal to its bad-faith case. Consequently, I must reject it. The s.3(6)-based ground for invalidation therefore fails.

Overall outcome

55. The ground for invalidation under s.47(2) of the Act based on s.5(2) succeeded in full. That is sufficient for me to declare that UK trade registration 3267310 is invalid. This means that the registration of the mark will be cancelled with effect from 31st October 2017.

Costs

56. The applicant has been successful and is entitled to a contribution towards its costs. I assess these as follows:

£200 for the Official fee for Form TM26(1);

£450 for preparing the application for invalidation and considering the proprietor's counterstatement;

£700 for filing evidence and written submissions.

57. I therefore order Celex International Limited to pay Sappe Public Company Limited of Thailand the sum of £1350. This sum should be paid within twenty-one

days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated 16th April 2020

**Allan James
For the Registrar**