

REPUBLIC OF KENYA

KENYA INDUSTRIAL PROPERTY INSTITUTE

IN THE MATTER OF THE TRADE MARKS ACT AND
IN THE MATTER OF TM APPLICATION NO. 67288 “BULZAI ENERGY DRINK”
IN THE NAME OF KAMAL KHANBABAEI GENERAL TRADING CO. LLC
AND OPPOSITION THERETO BY RED BULL GmbH

(Hearing held on 31 October 2012)

John Syekei, Coulson Harney for the opponent, Red Bull GmbH
Isaac Omeke, holding brief for George Wanam, Wanam Sale for the applicant,
Kamal Khanbabaei General Trading Co. LLC.
Amos Otieno, KIPi
Before the Registrar: Dr. Henry Kibet Mutai)

RULING

INTRODUCTION

This is an opposition matter filed by the opponents, Red Bull GmbH against the registration of trade mark application number KE/T/2010/0067288 BULZAI ENERGY DRINK (word and device) in the name of the applicant, Kamal Khanbabaei General Trading Co. LLC.

PROCEDURAL HISTORY

On 21 January 2010, the applicant herein, Kamal Khanbabaei General Trading Co. LLC, filed an application for the registration of the trade mark BULZAI ENERGY DRINK (word and device), in class 32 for ‘Energy Drink, included in class 32’. The application stated that the applicant wished to restrict the mark to the colours White, Black and Red. The application was duly examined and by a letter dated 20 May 2010, the applicant was requested to disclaim the right to the exclusive use of the words “Energy Drink” and the device of a bull separately and apart from the mark as a whole.

By a letter dated 9 June 2010, the applicant's counsel informed the Registry that their client had agreed to the disclaimers sought. Subsequently, the application was approved for advertisement and duly advertised in the Industrial Property Journal of 31 July 2010.

On 23 September 2010, a notice of opposition to the registration of the mark was filed at the Registry by Red Bull GmbH. The grounds on which the opposition was based were, *inter alia*, that the opponent was the sole lawful proprietor in Kenya and throughout the world of various trade marks related to the RED BULL brand, that the marks were distinctive of the opponent's goods being energy drinks, that the opponent enjoyed substantial goodwill and reputation in its RED BULL brand, that the goods specified in the application were the same as those in respect of which the opponent's marks were registered, that the word BULZAI included the opponent's BULL trade mark as well as a dominant element of the RED BULL mark, and that the use of the colour red created a clear conceptual similarity to the colour component of the opponent's mark.

The opponent further claimed that the high degree of similarity between the offending application and the opponent's mark was likely to deceive or cause confusion between the goods of the two parties, that the opponent's application was likely to take unfair advantage of the goodwill and reputation associated with the opponent's marks, that the applicant had no claim to own or use the offending application and that the application was unlawful in terms of sections 14, 15(1) and 15A(4) of the Trade Marks Act.

On 15 November 2010, the applicant's agents filed an application seeking an extension of time within which to file the counter-statement on the grounds that the counter statement was still being evaluated. An extension of time to 15 December 2010 was subsequently granted.

On 14 December 2010, the applicant filed its counter statement to the notice of opposition. In the counter statement, the applicant denied that its mark was confusingly similar to any of the marks relied on by the opponent. It further stated, *inter alia*, that the mark BULZAI was a mark invented by the applicant which had no meaning or indication in English dictionaries, that all the aspects of the applicant's mark clearly distinguished it from the opponent's marks, that the opponent's marks could not be a bar to the registration of the opposed mark as it

was distinctive and distinguishable from all the opponent's marks. The applicant further denied that registration of the opposed mark would take advantage of or injure the reputation and goodwill of the opponent's marks. It also denied that the opponent's marks were well known or that confusion or deception was likely to arise from the registration of the opposed mark. Further, the opponent averred that it was the true owner of the opposed mark and hence entitled to own and use it, that the opposed mark had been registered in various other jurisdictions and that the opponent was not entitled to rely on sections 14, 15(1) and/or 15A(4), Trade Marks Act.

On 10 February 2011, the opponent applied for and was granted an extension of time to 15 April 2011 within which to file its statutory declaration. The opponent duly filed its statutory declaration on 14 April 2011.

In the statutory declaration, sworn by Dr. Volker Viechtbauer, General Counsel of the opponent, the opponent started by providing a history behind the global launch of the Red Bull brand. It then set out the various registrations that it had obtained for its marks in Kenya followed by the activities of the Red Bull Media House, which it stated was the centre of planning, producing, managing and distributing Red Bull Content all over the world. The declaration also set out details regarding the use and promotion of the RED BULL marks, its brand value and the various international events with which it was associated. The declaration further stated that the RED BULL marks were protected in 205 jurisdictions around the world with the single bull device marks being owned in 113 trade mark jurisdictions. Also included in the declaration were various decisions from key cases in a number of jurisdictions where the opponent had acted to protect its marks.

On 17 June 2011, an application was filed by the applicant's agents on record, Kaplan & Stratton, seeking an extension of time within which to file a statutory declaration in reply. An extension of time to 20 July 2011 was duly given. A similar application dated 17 June 2011 was filed on 20 June 2011 by Wanam Sale, Advocates purportedly on behalf of the applicant. At the same time, a letter was received from Wanam Sale, Advocates informing the Registry that they had been instructed to take over conduct of the matter and represent the applicant. Form TM1, duly signed and stamped in favour of Wanam Sale, was filed with the Registry

on 20 July 2011. Like the previous application, an extension to 20 July 2011 was granted.

On 22 July 2011 and 19 August 2011, the applicant was granted two further 30 day extensions of time within which to file its statutory declaration. On 20 September 2011, the applicant filed its statutory declaration sworn by its manager, Kamal Khanbabaie. In the declaration, the applicant stated that it was engaged in the manufacture and distribution of energy drinks internationally with its marks being registered in various jurisdictions, that in four jurisdictions the opponent's and applicant's marks co-existed, that its mark was not identical or confusingly similar to the opponent's mark, that the opponent had failed to provide support for its claim that its marks were well known, and that it had failed to prove that its marks were well known in Kenya. Further, the applicant claimed that the opponent had failed to disclose that in a Georgian case a ruling had been given to the effect that the opponent's and applicant's marks were not similar or identical. It also averred that there were a number of cases where the opponent had been found not to be able to claim any exclusive right to the word BULL or the colour red.

On 4 January 2012, the opponent filed its statutory declaration in reply. In the declaration, it reiterated its claim that the applicant's mark was confusingly similar to its own marks and had been adopted with the sole purpose of attempting to cause confusion with goods of the opponent. It further claimed that it was contesting the registration of the applicant's mark in other jurisdictions such as Taiwan, Lebanon, OAPI and Mongolia and, in any case, the status of the register in other jurisdictions was irrelevant as the issue to be determined here was whether the applicant's mark was confusingly similar to those of the opponent.

With regard to the marks on the EU register referred to by the applicant, the opponent averred that the information was incorrect and misleading as most the trade marks were owned by the opponent while the others had been refused or withdrawn. On the issue of decisions made in other jurisdictions, the opponent averred that the decision in Georgia was irrelevant and that in any case, the opponent had successfully opposed the applicant's trade marks in jurisdictions such as New Zealand, Turkey, Croatia, Colombia and the European Union.

With pleadings having closed, the matter was thereafter set for hearing. On 8 June 2012, the parties filed a consent in the Registry pursuant to which they agreed to proceed by way of written submissions which would be highlighted at hearing.

THE OPPONENT'S SUBMISSIONS

Counsel for the opponent began by stating that the opponent would be relying on its written submissions filed on 8 June 2012 and that it adopted the same in their entirety. He also stated that he would refer to and rely on the bundle of authorities filed with the submissions, which were also on record. There were also a number of cases which had been on their original list that he was providing for record. He also stated that they had obtained print outs of the definition of an energy drink from the internet which they were submitting for the record.

Counsel continued that the main focus of his submissions was to request the Registrar to focus on the major issues that the opponent felt this matter turned on as set out on page 2 of the written submissions. There were 5 such issues, namely:

- Was the opposed mark confusingly similar to the opponent's trade marks?
- Were the opponent's trade marks well-known?
- Had the applicant discharged the burden of proof that the opposed mark was registrable?
- Under what circumstances could the opponent's trade marks and the opposed mark co-exist on the Register?
- Of what significance were the decisions in other jurisdictions arising out of proceedings between the opponent and the applicant?

Counsel submitted that the essential function of a trade mark was to guarantee the identity of the origin of goods to a consumer or end-user by enabling him without any possibility of confusion to distinguish between goods and services. Thus, trade mark law not only protected the proprietary rights of a brand owner but also the rights of consumers. It therefore had a public connotation to it. On the issue of similarity, counsel submitted that the opposed trade mark was confusingly similar to the opponent's trade marks that existed on the Kenyan Register when looked at comprehensively in terms of the phonetical, visual and conceptual (emphasised) elements of both marks.

In addition, both the opposed mark and the opponent's trade marks related to identical goods, which are energy drinks. Here, counsel referred to the Wikipedia print-up on what energy drinks are and emphasized that these were particular drinks that had a health connotation ingested by humans. They were extremely popular with young people between ages 13 - 35 and were common across the world.

Turning to the opponent's trade marks, counsel submitted that the first RED BULL trade mark was registered and used in 1987 and that the extent and scale of protection of the RED BULL marks stood at 205 jurisdictions around the world. Further, the RED BULL trade marks had been extensively marketed and were distinctive of the energy drinks the opponent sold and were available not only in Kenya but around the world on a large scale.

Counsel noted that the opposition was brought under sections 14, 15(1)(2) & 15A(4), Trade Marks Act as read with the applicable provisions of the Paris Convention and the TRIPS Agreement to which Kenya was a party.

He submitted that the Registrar should find having regard to the trade marks of the opponent and comparing them to the applicant's trade mark, that it was reasonably likely that the average consumer of energy drinks in this market would be confused as to the similarity between the two trade marks more so, the fact that the products were identical. He argued that the RED BULL trade mark was extremely distinctive and was a well known trade mark in Kenya.

Counsel argued that a key point would be an analysis of the entire applicant's trade mark, its elements being BULZAI the word and the bull figure appearing next to the word together with the colour red, which was dominant. By comparison, the opponent's trade marks were bull devices having the colours red, gray, blue, the specific use of the word RED and the use of the word BULL.

The opponent's submission was that the global impression of these two words would conceptually provide similarity specifically in terms of the use of the word RED, the colour RED and the BULL in both trade marks. Further, the red colour on the BULZAI trade mark would be linked to the use of the word RED in the RED BULL trade marks.

Counsel submitted that applying the doctrine of imperfect recollection, and the test laid out by Parker J. in the *Pianotist* case (1906) 23 RPC 777, as well as the

Sabel BV v Puma AG case, there was a high likelihood that reasonable average consumers of these energy drinks would believe that both products originated from the same business entity or were economically linked in one way or another. That was exactly what the opponent wished to avoid.

Counsel also referred to paragraphs 17 - 28 of the *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* case where the court noted that a global assessment of likelihood of confusion implied an interdependence between the relevant factors and in particular a similarity between the trade marks and the goods covered. A lesser degree of similarity between the goods could be offset by a greater similarity between the marks and vice versa. The more distinctive the earlier mark, the greater would be the likelihood of confusion. Marks with highly distinctive character enjoyed greater protection than less distinctive marks. The opponent's final submission on this issue was that it was clear that the applicant sought to free ride on the distinctive trade mark of the opponent to sell its products in this market.

With regard to the issue of well known marks, counsel submitted that section 15A(4) prohibited registration of trade marks that were likely to impair, interfere with or take unfair advantage of the distinctive character of a well known trade mark. The opponent's submissions were that the RED BULL trade marks were well known not only in Kenya but worldwide and the volume of evidence annexed to the opponent's statutory declaration supported its claim that the RED BULL marks were well known.

To enable the Registrar reach the decision that the RED BULL marks were well known, counsel requested the Registrar to be guided by the decisions made in *In the matter of TM No. 59514 Risek Omeprazole (word and device)* and *In the Matter of TMA 65503 Star Plus (word)*. He also emphasised the guidelines found in the Joint Recommendations Concerning Provisions on the Protection of Well Known Marks.

Applying the guidelines to this matter, he submitted that the opponent's evidence was so substantial that it indicated:

- i) The market recognition of RED BULL and its trade marks globally and in Kenya;
- ii) The geographical area of use of the mark;

- iii) The substantial sums spent in millions of dollars promoting the trade marks, which in Kenya were actively promoted through for instance, TV sports programs like Formula 1, which had a huge following in Kenya, and of which judicial notice should be taken, and the various registrations obtained around the world for a considerable period of time before the applicant's trade mark and finally
- iv) the successful enforcement of the trade marks in various jurisdictions including against the particular applicant in this matter.

Counsel also submitted that should the Registrar find that the RED BULL marks were well known then the registration of the applicant's trade mark would breach section 15A(4). In addition, the registration of the applicant's trade marks would seek to free ride on the reputation and good will of the opponent's trade marks.

On the issue of whether the two trade marks could co-exist in this market, counsel submitted that the applicant had not met the test laid out in *Pirie & Sons' Application* (1933) 50 RPC 147, which would allow the Registrar make a decision on co-existence with emphasis on the fact that there had been no evidence submitted by the applicant to prove any use, whether honest or not, in this market at all. He argued that the two trade marks could not co-exist primarily because of the confusion that would happen in the market if this was allowed, the nature of the products, the distinctiveness and reputation of the opponent's RED BULL trade marks and the likelihood that consumers would be confused as to the origin of those goods.

Counsel stated that the opponent adopted the cases cited to enable the Registrar analyse the veracity of its submissions and indicated that a key authority submitted was the United Kingdom Registrar of Trade Marks in respect of the same trade marks in dispute in this instance in an opposition filed by the opponent which analysed the trade marks in detail and which counsel believed addressed the issues and reached a conclusion that the opponent's opposition was valid on the basis that the trade marks were confusingly similar when looked at as a whole, more so because of the products in question and the reputation of the RED BULL trade marks. This decision, counsel submitted, would be of extreme significance to the Registrar.

With regard to the applicant's submissions and its legal authorities, counsel argued that the opponent's assertions had not been dispensed with by the applicant in the sense that the applicant had not provided any evidence on record as to why it deserved to have its trade mark registered noting that the burden of proof rested with it.

He referred to the *Bali* case and argued that, as was held in the UK, there was no evidence as to how the coinage of the word BULZAI came into being. It was logical, common-sense to reach a conclusion that BULZAI with the colour red and a bull device was creatively produced to incorporate the dominant elements in the RED BULL trade marks belonging to the opponent which were most probably well known to the applicant. The word Bull, the colour red and the bull put together provide evidence of that assertion.

Regarding the applicant's legal authority in the form of the Georgia case, he submitted that it was not from a common law jurisdiction and the tribunal members only considered the device elements of the two trade marks, the RED BULL running bulls and the charging bull of the applicant. They did not consider the marks globally and the similarity of the goods.

Counsel argued that the Anguilla case as well would not assist the applicant as there was no consideration by the Registrar in determining the similarity of the goods and therefore the global appreciation test was not applied.

With regard to the SONITEL case, counsel argued that it related to expungement and was therefore irrelevant.

Counsel further argued that the claim that there was in existence John Bull marks on the OHIM register did not assist the applicant as they were not in the same class and John Bull being a person's name had no relevance. The opponent dealt in energy drinks and not in the goods that the John Bull marks dealt in.

On the Kuwaiti and Bahraini decisions, counsel submitted that they were not common law and had no relevance and were based on translations which had not been authenticated. Likewise, the Morocco decision was not from a common law decision and gave no reasons as to how the decision was reached.

Counsel concluded that the rest of the opponent's submissions were covered in the written submissions.

Counsel submitted that the opposed mark should not be registered as it would breach s. 15 of the Trade Marks Act and the constitutional rights of the opponent and the opposition should be allowed in favour of the opponent with costs.

THE APPLICANT'S SUBMISSIONS

Counsel for the applicant stated that it relied on its written submissions dated 22 June 2012 and its statutory declaration dated 15 September 2011. In highlighting its submissions, he wanted to clarify certain issues in addition to what it had raised in the documents referred to.

The main argument of the applicant was that the applicant's trade mark and the opponent's trade marks were not phonetically, visually or conceptually similar. In reaching that conclusion, he observed that the applicant's trade mark was a word and device mark, while the opponent's trade marks were either word or device marks so the applicant's mark should be looked at as a whole and compared to each of the opponent's trade marks.

The other point the applicant relied on was that the representations of the Bull were not the same. In the applicant's mark, the representation of the Bull showed a running bull while the opponent's showed an attacking bull.

Counsel submitted that the test in the *Sabel BV v Puma* case was applicable and that in looking at whether two marks were similar or could cause confusion, one had to look at the marks as a whole without dissecting components of each mark. The applicant had successfully registered the mark in 12 other jurisdictions and in addition had also succeeded against the opponent in opposition proceedings filed against registration of the applicant's mark.

The first place was in Georgia where, in the Chamber of Appeal of the National Intellectual Property Centre, it had been held that the applicant's trade mark and the opponent's marks were visually and phonetically different. Even though this decision was not a common law decision, counsel submitted that the decision provided a factual analysis of whether the applicant's trade mark and the opponent's trade marks were similar or likely to cause confusion. He therefore argued that the case provided a good material for determining the similarity of the applicant's trade mark and the opponent's trade marks.

Counsel also relied on the opposition ruling in Anguilla, where the Registrar ruled that although there were obvious similarities in the type of product and use of the Bull name, the design, colour, layout and content were noticeably different.

Turning to the decisions relied on by the opponent involving the applicant's trade mark and the opponent's trade marks, counsel submitted that those decisions were made based on specific provisions contained in the relevant statutes of those jurisdictions.

With regard to the UK decision, *In the matter of Application No. 2535322*, counsel submitted that the first point to note was that in that case the decision turned on the interpretation of s. 5(2)(b) of the UK Trade Marks Act, which was the same as s. 15 of the Kenyan Trade Marks Act. However, in the UK section, there was a further wording which was not present in the Kenyan Act referring to likelihood of association with earlier trade mark.

Secondly, there was a further provision in the UK Act, that is s. 5(3)(a), which had no equivalent in the Kenyan Act. In arriving at his decision in that case, the Comptroller General after analysing both words had concluded that there was no likelihood of confusion between the applicant's trade mark and the opponent's trade marks but the ground upon which the opponent's opposition was allowed was that the opponent's trade mark was reputable in the UK.

Counsel submitted that the decision would not be of assistance in the present matter because, as highlighted in the applicant's statutory declaration, the opponent had not given clear evidence of reputability of its mark in Kenya.

Turning to the decision relating to Application No. Z20101374 from Croatia, again the provisions relied on had the wording likelihood of association with regard to any earlier trade mark, which was not present in the Kenyan Act. In that decision, the Registrar concluded that average consumers of beverages including soft, energy and refreshing drinks would be confused as to the applicant's and the opponent's trade marks. That decision was arrived at after considering consumers from that jurisdiction, but the same could not be said for a Kenyan consumer since it was the applicant's submission that the opponent's products were targeted to select consumers in Kenya and not any average consumer. These select consumers were sufficiently knowledgeable to identify the opponent's products and differentiate it from the applicant's products.

Counsel submitted that the products sold by the applicant were known by the name BULZAI and they would be ordered by that name from a shop and the term BULZAI brought to the mind Bull's Eye meaning on target.

On the other hand, the opponent's products would be ordered by their name, RED BULL, and therefore there was no likelihood of confusion between the two products in the Kenyan market.

Counsel further argued that the decisions between the opponent and other applicants in respect of the use of the word BULL in combination with other words referred to by the opponent were not relevant to the present matter since the question which was the crux of the matter was whether the applicant's trade mark and the opponent's trade mark were similar or confusingly similar.

Counsel referred to paragraphs 23 and 24 of the applicant's statutory declaration where the opponent had failed to oppose registration of trade marks having the word BULL or RED.

On the issue of co-existence, the opponent had cited the case of *Pirie's Trade Mark* which had set out conditions where trade marks could be allowed to co-exist. One of the considerations was the likelihood of confusion, which as already demonstrated on a factual basis there was no likelihood of confusion between the applicant's trade mark and the opponent's trade mark.

Secondly, another test from that case was the issue of prior use of the trade mark and the applicant here referred to the Registrar's decision in *In the Matter of TMA No. 62633 - SONITEC* in which it was observed that under Kenyan law, a mark did not have to have been used prior to an application.

Lastly, on the issue of whether the opponent's trade marks were well known in Kenya, the applicant's submission was that the opponent had not demonstrated clearly whether the opponent's trade marks were well known and in this regard referred to paragraphs 13 - 20 of the applicant's statutory declaration.

One of the tests to be applied was the record of successful enforcement of rights and here the applicant referred to the decision of the Swedish Court of Patent Appeals, in which the court observed that the opponent's marks were not well known in Sweden. It was the applicant's submission that from the evidence given by the opponent, there was no clear demonstration that the opponent's trade marks were well known in Kenya.

For these reasons, the applicant prayed that the opponent's opposition be dismissed with costs and the applicant's application allowed to proceed to registration.

OPPONENT'S SUBMISSIONS IN REPLY

In reply to the applicant's submissions, counsel for the opponent submitted that with regard to the first point, that the marks were not phonetically or visually similar, the opponent's submission was that similarity needed to be looked at in terms of phonetic, visual and conceptual similarity. Conceptual similarity was the idea of the trade mark when looked at as a whole and the opponent's submission was that conceptually, the trade marks were the same. This also touched on the concept of imperfect recollection and it was reasonably likely that there would be confusion. In support of this contention, counsel referred to UK case and specifically paragraph 48 of the decision. It discounted the assertion by the applicant's counsel that it turned on the likelihood of association.

With regard to the assertion that the consumers of this product in Kenya could not be confused because they were not average consumers and were sufficiently knowledgeable, the opponent's submission was that the BULZAI products were not available on the market. RED BULL was dominant in the energy drink market in Kenya and was well known here. The buyers were young adults and it was common knowledge that products were sold in the same channels and grouped together. It was likely they would be sold together and seen as an alternative product of the RED BULL.

On the question of co-existence and prior use and the argument put forward that on the facts there was no evidence of confusion, counsel stated that the opponent's submission was that the question was, was there a measurable likelihood of confusion?

The products were similar and there was a reasonable likelihood that consumers and retailers would assume that there was a connection between the opponent and the product. In support, counsel referred to the opponent's statutory declaration paragraphs 13 - 41, on the question of well knownness.

Finally, counsel submitted that reading s. 15, Trade Marks Act, the TRIPS Agreement and the Paris Convention, it would not have been the intention of

Parliament and the relevant bodies that came up with the treaties, that where a party had a massive internet presence that those products were not being advertised. Users of internet would have access to those advertisements. Moreover, the RED BULL drink was available in almost every outlet in the country.

ISSUES TO BE DETERMINED

The opponent herein opposes registration of the applicant's trade marks primarily on the grounds that the opposed mark is confusingly similar to the opponent's registered trade marks, that the similarity is likely to deceive and or cause confusion between goods of the applicant and those of the opponent and that the opposed mark is likely to take unfair advantage of the goodwill and reputation associated with the opponent's well known BULL, RED BULL and Bull device marks. The applicant, on the other hand, argues that it is the true owner of the opposed mark, that the opposed mark is not confusingly similar to the opponent's trade marks, that the opponent's marks are not well known and that registration of the opposed mark would not take unfair advantage of or injure the reputation and goodwill of, the opponent's trade marks.

Having carefully read through all the pleadings, the submissions and the authorities filed in support as well as heard the issues highlighted by the parties herein, I have identified the principal issues to be determined in this opposition to be the following:

- Is there sufficient similarity between the applicant's and opponent's trade marks as to be likely to cause confusion among consumers?
- Are the second opponent's trade marks sufficiently well known as to merit protection?
- Can the applicant's and opponent's marks co-exist on the Register?

1. Similarity of the marks

The issue of similarity between the marks in question is key to determining the success or failure of this opposition. The relevant provisions of law are found in section 14, Trade Marks Act, which provides that:

No person shall register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion

or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

and section 15(1), Trade Marks Act, which provides that:

Subject to the provisions of subsection (2), no trade mark shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods, or in respect of services, ...

In order to resolve this issue, one needs to look, firstly, at the extent of similarity between the goods for which the marks are registered or proposed to be registered and, secondly, the extent of similarity between the marks themselves.

The trade marks on which the opponent relies are set out in paragraph 13 of the opponent's statutory declaration filed on 14 April 2011 and the attachment marked VV2. They include:

TM No. 45475 - RED BULL (word and device) in class 32 in respect of Mineral and aerated waters and other non-alcoholic beverages, fruit drinks and fruit juices, syrups and other preparations for making beverages;

TM No. 52825 - Bull facing right device in class 25;

TM No. 50181 - RED BULL (word) in class 32 in respect of non-alcoholic beverages in particular refreshing drinks, energy drinks, milk drinks and isotonic (hyper- and hypotonic) drinks (for use and/or as required by athletes); beer, mineral water and aerated waters, fruit drinks and fruit juices, syrups and other preparations for making beverages as well as effervescent (sherbet) tablets and powders for drinks and non-alcoholic cocktails;

TM No. 50186 - Bulls facing each other device in class 32;

TM No. 42277 - RED BULL (word) in class 32 in respect of Mineral and aerated waters and other non-alcoholic beverages; fruit drinks and fruit juices; syrups and other preparations for making beverages;

IR No. 714749 - BULL (word) in classes 32, 33 and 42;

IR No. 707372 - Bull facing right device in classes 25, 32 and 33;

IR No. 790141 - BULL (word) in class 32;

IR No. 734686 - Bull facing left device in classes 25, 32 and 33;

IR No. 969260 - Bull facing right device in classes 25, 32 and 33;

IR No. 883431 - RED BULL (word) in classes 1 - 45;

IR No. 971949 - RED BULL (word) in classes 25, 28, 30, 32, 33, 34, 41 and 43;

IR No. 971950 - Bulls facing each other device in classes 25, 28, 30, 32, 33, 34, 41 and 43;

IR No. 883430 - Bulls facing each other device in classes 1 - 45;

IR No. 866022 - Bull facing right device in classes 25, 32 and 33;

IR No. 791989 - RED BULL (word and device) in classes 1 - 45;

IR No. 867085 - BULL (word) in class 32;

The applicant's application is for registration of the mark BULZAI ENERGY DRINK (word and device) in class 32 for "Energy drink, included in class 32".

It is therefore clear that save for the opponent's TM No. 52825, which is registered solely for goods in class 25, the marks in question all relate to similar goods.

On the issue of similarity between the marks themselves, the applicant's mark consists of both words and a device. The words are BULZAI ENERGY DRINK while the device is a bull that is described in the applicant's counter statement as being 'the front view of a bull that is either running or walking.' It should be noted that the application states that the mark is restricted to the colours white, black and red.

The opponent, on the other hand, has registered various marks, some consisting purely of the words RED BULL or BULL, others of devices and some a combination of the words RED BULL and a device.

The opponent submitted that the word BULZAI incorporated the whole of the opponent's BULL trade mark and was a play on the phrase Bull's Eye. It was thus a clear conceptual reference to the opponent's BULL, RED BULL and bull device marks. It submitted that the opposed mark had been creatively conceived to incorporate all the dominant elements of the opponent's mark such as the word BULL, the colour red and the bull device. The opponent relied on the decision in the UK opposition to support this position.

The applicant, on the other hand, stressed the differences between the marks including the fact that the word BULZAI was made up and had no phonetic or visual similarity to the opponent's marks. Additionally, the applicant's mark was a word and device mark while those of the opponent were either word or device marks and the representations of the bulls were different in that the applicant's mark

showed a running bull while those of the opponent showed what the applicant described as an “attacking bull”.

The applicable tests for assessing similarity were set out in *The Pianotist* case as well as *Sabel BV v Puma AG*, which the opponent ably summarized, and have been applied domestically in rulings such as the *Nexome* case referred to by the opponent.

Taking into account the factors set out in those cases and looking at the marks as a whole, I am in agreement with counsel for the opponent that there is indeed a high degree of conceptual similarity between the opposed mark and the opponent’s registered marks. There is also a visual and phonetic similarity between the marks, though this similarity is on the lower end. Though I am of the opinion that there is unlikely to be a direct confusion among consumers between the goods, I am satisfied that when one looks at the marks as a whole, an average consumer would be likely to be confused or deceived as to the origin. This conclusion is derived from the entirety of the opponent’s registered marks that comprise the RED BULL brand.

Counsel for both parties cited a number of cases from other jurisdictions where registration of the opposed mark had either been permitted, refused or was under opposition. Though providing useful references, it is trite law that those decisions are not binding in this jurisdiction given the different prevailing laws.

I therefore find that registration of the opposed mark would be contrary to section 14, Trade Marks Act in that it would be disentitled to protection in a court of justice for being likely to deceive or cause confusion.

I also find that registration of the opposed mark would be contrary to section 15 which prohibits registration of a mark that is identical or nearly resembles a mark already on the register belonging to a different proprietor in respect of the same goods or description of goods.

2. Well known nature of the opponent's trade marks

The applicable provision of law is to be found in section 15A(4), Trade Marks Act which provides that ‘A trade mark shall not be registered if that trade mark, or an essential part thereof, is likely to impair, interfere with or take unfair advantage of the distinctive character of the well-known trade mark.’

In order to determine whether this ground of opposition succeeds, it is necessary to determine, firstly, whether the opponent's marks are well known, not just globally but also in Kenya and, secondly, whether the applicant's mark, or an essential part thereof would impair or take advantage of the opponent's well known mark. Useful factors to be considered in this regard are set out in the Joint Recommendations Concerning Provisions on the Protection of Well Known Marks adopted by the WIPO Assembly in 1999. Though not binding on Kenyan courts, these guidelines have been adopted and applied by the Registrar in similar cases. The factors to be considered include:

- The degree of knowledge or recognition of the mark in the relevant sector,
- The duration and extent of geographical area of use of the mark,
- The duration of promotion of the mark in respect to the goods to which the mark applies,
- The duration and geographical area of any registrations and/or applications for registration, and
- The record of successful enforcement of rights.

In support of its contention that its marks are well known the opponent relied on the statements and attachments found in its first and second statutory declarations as well as its notice of opposition. Of particular relevance were paragraph 16 of the opponent's statutory declaration filed on 14 April 2011 setting out the unit sales figures of the energy drinks from 2005 to 2010, which showed that in Kenya these rose from 765,792 to 4,850,016 and paragraph 18 setting out the marketing expenses in Kenya for the same years, showing an increase from 124,000 Euros to 849,000 Euros.

The opponent also provided information regarding various events and activities that it promotes globally and that are shown on television and on the internet to demonstrate the reputation of its marks.

In response, the applicant argued, firstly, that the opponent had failed to provide evidence of the ranking of its products in the Kenyan Market with regard to sales and marketing. Further, the applicant argued that evidence of knowledge, recognition and use of the opponent's marks was restricted to certain jurisdictions and that Asia, Africa and especially Kenya did not feature prominently in the statistics presented.

Taking all the above evidence and submissions into account, I am satisfied that the opponent has adduced sufficient evidence to prove that its marks meet the legal requirements and are well known both globally and in Kenya.

In light of the finding above that the opposed mark is confusingly similar to those of the opponent, I also find that the opposed mark would take unfair advantage of the opponent's marks contrary to section 15A(4), Trade Marks Act.

3. Co-existence of the marks

Section 15(2), Trade Marks Act provides that

In case of honest concurrent use, or of other special circumstances which in the opinion of the court or the Registrar make it proper so to do, the court or the Registrar may permit registration of trade marks that are identical or nearly resemble each other in respect of the same goods or description of goods by more than one proprietor subject to such conditions and

limitations, if any, as the court or the Registrar may think it right to impose.

Having found that the opposed mark is confusingly similar to those of the opponent, the applicant would have to establish that there was either honest concurrent use of the trade mark or that some other special circumstances exist such as would justify registration of the mark.

However, the applicant did not adduce any evidence that it has used the mark in Kenya, honestly or otherwise, nor did it provide any evidence that would amount to special circumstances justifying registration of the mark. I am thus in agreement with the opponent that the applicant is not entitled to rely on this provision. The factors listed in *Pirie's* trade mark case are in favour of the opponent. The applicant's argument that there was no need for a trade mark to have been used for it to be registered would only have been tenable if special circumstances existed. The ruling in *SONITEC* is thus not relevant in this instance.

DECISION

For the reasons set out above, the Registrar finds as follows:

1. That registration of the opposed mark would cause confusion and deception to members of the public contrary to the provisions of section 14;

2. That registration of the opposed mark would be contrary to the provisions of section 15(1) and no evidence has been adduced such as would enable the applicant to benefit from the provisions of section 15(2);
3. That registration of the opposed mark would impair, interfere with or take unfair advantage of the opponent's well known marks contrary to the provisions of section 15A(4);
4. Costs of these proceedings are awarded to the opponent, Red Bull GmbH.

Ruling dated and delivered at Nairobi this 21st day of March 2013



Dr. Henry Kibet Mutai
Managing Director