

**TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No 2474095  
for the mark XING by Xing Health Ltd**

**AND IN THE MATTER OF Opposition No. 97203  
by Xing Beverage LLC**

**Appeal of the Applicant from the decision of  
Mrs. Judi Pike dated 18 March 2011**

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**DECISION**

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1. This is an appeal against a decision of Mrs Judi Pike, the Hearing Officer for the Registrar, dated 18 March 2011, in which she upheld an opposition to the registration of the mark XING for goods and services in Classes 19, 32 and 43. The applicant was Xing Health Limited, ("Health") and the opponent Xing Beverage LLC ("Beverage").

**Background**

2. Health applied to register the mark XING on 5 December 2007. The application proceeded to advertisement for:
  - Class 29: milk and milk products, soups, dried and cooked fruit and vegetables;
  - Class 32: fruit smoothies, fresh fruit drinks; fresh fruit juices; and
  - Class 43: services for providing food and drink.
3. Beverage opposed the application in its entirety pursuant to section 5(2)(b) of the Act, on the basis of limited parts of the broad specifications of its earlier Community trade marks: XING ENERGY, registered *inter alia* for staple foods and prepared foods in class 30 and for energy drinks and fruit flavoured soft drinks in class 32, XING SODA registered *inter alia* for the same goods and XING COFFEE for slightly different goods in the same two classes. Both parties filed evidence. At the hearing before Mrs Pike, Health was represented by its trade mark attorney, Mr Gilholm; Beverage did

not attend nor did it then file submissions. Mrs Pike upheld the opposition in its entirety, for reasons which I discuss below.

### **The appeal**

4. Health appealed. Its Grounds of Appeal challenged the Hearing Officer's findings as to the similarity of the parties' respective specifications, including claiming that she had erred as to the relevant trade channels. Health challenged the finding that there was a likelihood of confusion. It also proposed in the Grounds of Appeal to limit the specification to:

Class 29: custom blended real fruit milkshakes made at time of order; freshly made and served in store hot soup;

Class 32: custom blended real fruit smoothies made at time of order; custom juiced or custom pressed fresh fruit and vegetable juices drinks made at time of order

Class 43: services for providing food and drink.

5. At the hearing before me, Mr Gilholm again represented Health and Health's director, Mr Benson, also addressed me. Beverage did not attend but provided me with written submissions in relation to Health's request (made shortly before the date of the appeal hearing) for an adjournment to permit it to file additional evidence in the form of a survey. In the circumstances in which that application was made, and in the light of Beverage's reaction to it, I indicated that I would deal with the application at the hearing, and (unless the application succeeded) I would hear the substantive appeal on that occasion also. I did reject the application to adduce the additional evidence, and heard the substantive appeal.

### **The application for permission to file additional evidence**

6. Health's intention to apply to adduce additional evidence was first raised in an e-mail from Mr Benson dated 13 June. He said that Health was "currently in the process of collating some extra evidence in the form of a questionnaire which we will require for the hearing" and asked for an adjournment for that purpose. I asked what Beverage's views were on the application and received a lengthy letter from

Messrs Reddie & Grose on its behalf. They objected to the application, and referred me to the principles on the admission of new evidence on appeal set out in *Ladd v Marshall* [1954] 1 WLR 1489 and, in relation to trade mark matters, in "*Swiss Miss*" [1996] RPC 233. They also referred to the well-known limitations of survey evidence and to the recent case of *A&E Television Networks LLC v Discovery Communications Europe Ltd* [2011] EWHC 1038, in which Mr Justice Mann considered the jurisdiction and principles to be applied in adducing survey evidence and the controls usually now exercised by the Court as to the nature of the survey itself. At that stage, Health had not provided a copy of the questionnaire which it wished to rely upon. That was provided by e-mail and on 21 June 2011 (the day before the hearing of the appeal) Messrs Reddie & Grose wrote again setting out their concerns as to the form of the questionnaire, which they stigmatised as misleading and inappropriate, and likely to lead the interviewee into inappropriate speculation. In addition to the survey evidence mentioned prior to the hearing, I was told at the hearing itself that Health also wished to rely upon fresh evidence as to labelling and trading standards requirements.

7. At the hearing of the appeal, Mr Gilholm told me that the purpose of the questionnaire was not to provide evidence as to the distinctiveness of the marks, nor the similarity between the parties' marks, but to seek to demonstrate that the consumers of the parties' respective goods were "rather different people." Mr Benson explained that the questionnaire concentrated upon the likely consumers of fresh fruit smoothies on the one hand and energy drinks or fruit flavoured soft drinks on the other, those being comparisons which were carried out by the Hearing Officer. It did not deal with other goods or services within Health's specification (even as narrowed on appeal).
8. Mr Gilholm accepted that such evidence could have been adduced at first instance, and had not been only because the applicant had not seen any reason to do so. However, he argued that the evidence would satisfy the second *Ladd v Marshall* criterion of being likely to have an important influence on the result of the case. He described the evidence as being "very persuasive."

9. It was explained to me that two surveys had been conducted, one on the street and one on-line, and I was given some details of how they had been carried out. However, the results were available only in the form of graphs/tables recording the answers to the questionnaire and the percentage responses to the on-line survey. There was no other analysis of the results, nor were there witness statements or draft witness statements from any interviewees. The only evidence as to the manner in which the on-street survey had been carried out was in the form of a brief e-mail from the director of the market research agency.
10. In the absence of any witness evidence from anyone surveyed or from the market research agency, I turned to consider the form of questionnaire itself. It was short. On the first page, the interviewee was asked to compare two products shown in photographs. On the left-hand side was a photograph of a drink in a transparent take-away drinks container with a lid, surrounded by some loose berries. No name or mark was shown on or in relation to that item. On the right-hand side was a can of drink with the words 'natural energy' across it, and beneath that the words 'green tea with ginseng, pure cane sugar.' The branding of the can is low-key: looking carefully at it, one can see that running from the bottom to the top of the can vertically is the name 'xingtea.' I am not sure whether this is a photo of a real product produced by Beverage and I do not know whether its goods are now on the market in the UK; certainly they were not on the market at the relevant date. In any event, however, the questions asked were:
- 1) Looking at the pictures above. Do you think the appearances of these two products are the same/similar/not really alike/totally different?
  - 2) Based on the appearance. Do you think the ingredients contained in each of these products are the same/similar/not really alike/totally different?
  - 3) The product in the can is called **Zing Energy** (sold off supermarket shelves and through other retailers etc) and the product with food around the cup is called a '**berry good**' and is freshly made to order and sold in a smoothie bar called **Xing**. How likely would you be confused between the two products? Highly likely/likely/not very likely/not at all
11. It does not seem to me that any of these questions is designed to establish the point which Health told me it wished to prove through the survey, namely that average

consumer of Health's goods is not the same as the consumer of the goods in Beverage's specifications. I cannot see how any of these questions would help to identify the class of consumers of either party's goods, even if (which is not the case) the only goods at issue were fresh fruit smoothies on the one hand and energy drinks on the other. In particular, it seems to me that the reference in questions 1 and 2 to the *appearance* of the two products will have been likely to cause the interviewee to concentrate upon the appearance of the products, and perhaps the manner in which they are packaged, rather than upon the contents of each drink. In my judgment, the responses to those questions would not provide a reliable guide to the identity of the relevant consumers buying the products shown, let alone buying the full range of goods in the parties' respective specifications. Question 3 in my view raised further difficulties: it purports to compare a service of providing fresh fruit smoothies to a canned energy drink, and to try to assess the likelihood of confusion between them in the particular circumstances set out in the question. Again, it seems to me that the question had nothing to do with the identity of the relevant consumer of the types of goods shown.

12. Health submitted that there is a subset of members of the general public who buy fresh fruit smoothies as opposed to drinks in supermarkets. However, that point would not, in my view, help Health on the appeal. It does not deal with the whole range of goods and services in Health's application, nor the whole range of goods in Beverage's specifications. Moreover, I would require clear evidence before I would be persuaded that there is any real distinction to be drawn between the consumers of the two kinds of products. I think that someone who buys fresh fruit smoothies might, on other occasions, buy a drink in a supermarket. In my judgment, the questionnaire fell far short of providing any evidence to the contrary. Even if it had gone some way to proving that point, it seems to me that this would have been unlikely to be enough to show that the parties' respective goods were not similar, applying the tests properly identified by the Hearing Officer in her decision. In those circumstances, it did not seem to me that the results of the questionnaire, even if presented in the form of a proper witness statement and properly analysed, would have been likely to have an important influence on the result of the appeal.

13. As for the suggestion made at the hearing that it would be helpful to adduce evidence as to labelling requirements or trading standards requirements, again, I had no draft witness statement before me, nor was I shown any documentation which might have been exhibited to such a statement. Health submitted that such evidence would be helpful in making the distinction between fresh fruit smoothies and other soft drinks. However, it seemed to me that this point was not likely to be helpful in terms of considering whether the goods in the parties' respective specifications were *similar*, it could only go to the question of whether any of those goods were *identical*. Beverage had suggested that the parties' respective goods were identical or similar, without being more specific as to which were which, but as the Hearing Officer did not find any of the goods to be identical, this argument seems to me to be of no significance.
14. I indicated at the hearing that I would refuse the application to adduce the fresh evidence, which I do on the basis of the reasons set out above.

### **The substantive appeal**

15. The XING ENERGY specification so far as relied upon is for 'staple foods, prepared foods, energy drinks and fruit flavoured soft drinks.' The Hearing Officer remarked that she was required to compare the terms in the parties' respective specifications on the basis of notional, prospective use (§28). It is clear that submissions had been made to her along the lines of the submissions made to me on the appeal, seeking to contrast the Applicant's current business model with Beverage's products. Mr Benson described his business in terms of a service trading under the mark, XING, providing freshly made fresh fruit smoothies and similar drinks and healthy food products. It does not appear that Health has been using the mark applied for directly in relation to the goods within its specification. Beverage's evidence was that it had not used its marks in the UK by the relevant date; proof of use was not required.
16. At paragraphs 14-15 of her decision, the Hearing Officer said that Health had submitted that Beverage's drinks were fizzy drinks and flavoured teas, which were not similar to Health's fresh fruit smoothies, in particular because they would not be

sold side-by-side in supermarkets. However, the Hearing Officer rejected that argument (rather as I have done above) because Beverage's class 32 goods are not limited to fizzy drinks, but include all kinds of fruit flavoured non-alcoholic drinks.

17. The Hearing Officer took as the starting point of her decision a comparison of the mark applied for and the earlier mark "XING ENERGY" on the basis that this was 'at first blush' the closest to the application, in terms of the specification of goods. The first comparison made of the goods/services was between milk and milk products in Class 29 and fruit smoothies, fresh fruit drinks and fresh fruit juices in Class 32 in the application, and fruit flavoured soft drinks in the XING ENERGY specification (see §16).
18. At paragraph 12 of her decision, the Hearing Officer dealt with the average consumer of food and drink products and services. Then, in paragraph 16 she held that the users of both products were the general public, as the primary intended purpose of all of the products is to quench thirst. She considered that the products were all self-serve consumer items which were in competition with each other and she saw no reason why the different types of beverages would not be sold side-by-side, for example to cater to the lunchtime trade.
19. Health challenged this part of her decision. Mr Gilholm drew my attention to the decision of the General Court in Case T-296/02, *Lidl Stiftung & Co KG v OHIM; REWE-Zentral AG* [2005] E.T.M.R. 98, where one of the issues was the similarity of soft drinks to sparkling wine. The Court found at paragraph 51 that the average German consumer would expect sparkling wines, and "mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices", to come from different companies. Sparkling wines and such soft drinks do not belong to the same family of beverages, and would not be likely to have a common commercial origin. At paragraph 54 the Court held:

"The average consumer, deemed to be reasonably well-informed and reasonably observant and circumspect, is used to and aware of that distinction between alcoholic and non-alcoholic drinks.

55 Furthermore, if the drinks covered by the trade mark application are drunk on special occasions and for enjoyment, they are also consumed, if not substantially, on other occasions and for relaxation. Thus they are rather everyday consumer items. Sparkling wines, on the other hand, are drunk almost solely, if not solely, on special occasions and for enjoyment and much less frequently than the goods covered by the trade mark application. They are in a much higher price bracket than are the drinks covered by the trade mark application.

56 Finally, sparkling wines are no more than an atypical replacement for the drinks covered by the trade mark application. The goods in question cannot therefore be considered to be in competition with each other.

59 In view of the above, it must be concluded that the goods in question are more dissimilar than they are similar. However, the differences between them are not sufficient of themselves to exclude the possibility of a likelihood of confusion, in particular where the mark applied for is identical to an earlier mark which is particularly distinctive (see [48] above).”

The Court concluded that the dissimilarities between the goods were greater than the similarities between the signs in question.

20. Mr Gilholm submitted that the average consumer of a freshly made and relatively expensive fruit smoothie is different from the average consumer of a drink available in a supermarket. He submitted that the reasoning in *Lidl* applied here, and the Hearing Officer had erred in not appreciating that distinction. Health apparently sees its products as different from and not competing even with the fruit smoothies commonly sold in supermarkets or catering establishments. Mr Gilholm also submitted that a fruit smoothie should not be considered as a drink, but as a “meal substitute.”
21. I do not accept those submissions. All of the products here are non-alcoholic drinks. Whilst a freshly made smoothie may be more expensive than a bottled fruit juice or juice drink, it is not in a wholly different price bracket, nor would the products tend to be drunk on different sorts of occasion. Even if a smoothie may be a meal



substitute, a point which I do not feel I can accept in the absence of evidence to that effect, in my view the average consumer will see it as a drink and as broadly competitive to a fruit flavoured soft drink. Moreover, even allowing for the narrowed specification suggested in the Grounds of Appeal, the range of goods to be compared means that this argument does not apply to all of them. In my judgment, this argument does not show that the Hearing Officer fell into error in her analysis at paragraphs 12-16 of her decision.

22. Paragraphs 1.2 and (the second) 1.3 of the Grounds of Appeal stated that the Hearing Officer had erred in finding similarity between milk and milk products and fruit flavoured soft drinks, and between soup and prepared foods, but no specific arguments were addressed to me on these points. In the absence of any specific points on paragraphs 16 and 19 of the decision respectively, I do not see any manifest error on the part of the Hearing Officer in this respect.

23. Towards the end of the appeal hearing, Health indicated that it would be prepared to narrow down its specification further, to reflect the nature of the business which Mr Benson had described to me as the provision of a service under the mark, rather than the sale of goods bearing the mark. The specification would then read:

“Class 43: services for providing custom blended real fruit milkshakes made at time of order, freshly made and served in store hot soup, custom blended real fruit smoothies made at time of order, custom juiced or custom pressed fresh fruit and vegetable juices drinks made at time of order.”

24. The Hearing Officer considered the similarity of the Class 43 services in Health’s specification (in the wider terms of “services for providing food and drink”) to the goods in Beverage’s specification in paragraph 17 of her decision. She said:

“in relation to the provision of drink services, the consumer has the choice as to whether he purchases a drink from a shop shelf or visits an establishment such as a bar or café, or a juice/smoothie bar or stall, to quench his thirst. The goods could be drunk *in situ* or on the move. The goods are in competition with the service, and share the same users and intended purpose. There is a reasonable

degree of similarity between Beverage's *fruit flavoured soft drinks* and Health's *services for providing drink.*"

She similarly found similarity between Health's *services for providing food* and Beverage's *prepared foods*. It does not seem to me that there is any material error in the Hearing Officer's reasoning in the passage set out above, nor does it seem to me that the further changes proposed to Health's specification make any difference to the result. The service of providing freshly made juices or soups is still in competition with the provision of juices or soups sold in a shop.

25. Moreover, in *Balmoral* [1999] R.P.C. 297, a decision of Mr Geoffrey Hobbs QC sitting as the Appointed Person, an application to register a mark in respect of wines was refused in the light of earlier trade marks registered for whisky and bar services. He held that relevant consumers might well think that a supplier of whisky or bar services was engaged in the related business of supplying wines. Similarly, here, in my view consumers might think that Health, as a supplier of fresh fruit smoothies, was engaged in the related business of supplying drinks (even if not of an identical kind) to retail outlets.
26. In the circumstances, it seems to me that the Hearing Officer's conclusion that there was a likelihood of confusion cannot be said to have been in error, nor is her conclusion vitiated by the proposed changes to Health's specification. The appeal is dismissed.
27. Beverage was not represented at the hearing of the appeal. However, it did provide me with two carefully reasoned letters responding first to the proposed application to adduce fresh evidence, and secondly to the form of the questionnaire. In those circumstances, in my judgment it is appropriate for Health to pay Beverage a small contribution towards its costs of making those written submissions. As the submissions did not deal with the whole of the appeal, but only with those discrete points, I will award less than the sum usually allowed for submissions in TPN 4/2007, and I will order Health to pay Beverage the sum of £150 by 5 pm on 25 July 2011.

That sum is in addition to the £700 ordered to be paid to Beverage by the Hearing Officer.

Amanda Michaels

11 July 2011

STEVE GILHOLM of IPheions Intellectual Property appeared on behalf of the Appellant/Applicant.

The Respondent did not attend and was not represented.