

O/1116/22

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 3575527

BY ANHEUSER-BUSCH, LLC

AND

OPPOSITION No. 425967

BY AMSTEL BROUWERIJ B.V.

Background and pleadings

1. This is an opposition by Amstel Brouwerij B.V. (“the opponent”) to an application filed on 6th January 2021 by Anheuser-Busch, LLC (“the applicant”) to register the trade mark shown below in relation to *Beers, not including low alcoholic beers; non-alcoholic beers; low alcohol beers* in class 32.



2. The opponent’s grounds of opposition are based on section 3(1)(b) and/or (c) and/or (d) of the Trade Marks Act 1994 (“the Act”), which are as follows:

3. - (1) *The following shall not be registered -*

(a) signs which do not satisfy the requirements of section 1(1),

(b) trade marks which are devoid of any distinctive character,

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

3. According to the opponent:

“The word ULTRA will be understood by the average consumer as an everyday English word meaning ‘extra’, ‘super’, ‘very’ or ‘extremely’ among other synonyms. The average consumer will immediately perceive the word ‘ultra’ to be a promotional or laudatory term which, when used in relation to beers and similar alcoholic drinks, suggests that the goods to which it is applied are superlative or have some positive or favourable characteristic in comparison with other beers. The plain, unremarkable typeface in which the word ‘ultra’ is represented.. does not add any distinctive character... .

The graphic element in the Applicant’s mark is a very simple, generic shape which is itself devoid of any distinctive character in the context of the Applicant’s goods. The average consumer of the Applicant’s goods will immediately perceive the graphic as being a generic shape, at most indicating a simple red ribbon which merely reinforces the promotional or laudatory concepts [of ULTRA]. As the applicant’s mark consists wholly of the descriptive word ‘ultra’ and a generic red ribbon shape, the average consumer will not perceive the Applicant’s mark to be mark of origin.... .”

4. Therefore, the opponent claims that the contested mark (a) consists exclusively of signs which serve to designate the quality, value or other characteristics of the goods, (b) is devoid of any distinctive character, and (c) consists exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade in beers and similar drinks.

5. The applicant filed a counterstatement denying the claims made. Further, or in the alternative, the applicant claims the contested mark has acquired a distinctive character through use in the UK.

6. Both sides seek an award of costs.

Representation

7. The applicant is represented by Stobbs. The opponent is represented by Osbourne Clarke LLP. A (virtual) hearing took place on 26th October 2022 at which Mr Julius

Stobbs represented the applicant. Mr Thomas St Quintin appeared as the opponent's counsel.

The relevant date

8. The trade mark application was made pursuant to Article 59 of the Withdrawal Agreement between the United Kingdom and the European Union. This provision allows those who had pending EU Trade Marks at the end of the transition period to file a comparable UK application and claim the filing or priority date of the earlier EUTM as the priority date for the UK application. The applicant had a relevant pending EUTM (EU18262501). It filed the comparable UK trade mark application within the nine month period allowed for doing so. Therefore, in accordance with section 6(2A) and paragraph 25 of Schedule 2A of the Act, the applicant is entitled to rely on the filing date of its EUTM as the priority date for its comparable UK application for the purpose of establishing "*which rights take precedence.*" This means that the filing date of the EUTM, which was 26th June 2020, is the relevant date for determining priority vis-à-vis any conflicting third party trade mark applications. However, contrary to the opponent's submissions, the relevant date for determining whether the trade mark is subject to refusal on the absolute grounds set out in section 3 of the Act is the actual filing date of the application in the UK. Therefore, the relevant date for the purposes of this opposition is 6th January 2021 ("the relevant date").

The evidence

9. The opponent's evidence consists of a witness statement by Mary van der Braak (with 7 exhibits). Ms van der Braak is the Global Trademark Director of Heineken B.V., of which the opponent is a subsidiary. Her evidence goes to (a) the meaning of the word 'ultra', (b) the growth in low and non-alcoholic beers, (c) the use of 'ultra' by third parties in relation to beers, other alcoholic and energy drinks, and (d) the use by third parties of ribbons and banners on the labelling of alcoholic drinks.

10. The applicant's evidence consists of a witness statement by Mr Pieter van den Bulck, who is Global Director of Intellectual Property at Anheuser-Busch InBev SA/NV, of which the applicant is a subsidiary. Mr van der Bulck's evidence goes to (a) the applicant's global business, (b) the popularity of low and non-alcoholic beers, (c) the

applicant's use of ULTRA in relation to a relatively low alcoholic strength and low calorie beer, (d) the absence of use of ULTRA by third parties in relation to lager (which is the kind of beer the applicant regards ULTRA to be).

11. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from retained EU law. That is why this decision continues to refer to the case law of the EU courts.

Previous decision and appeal

12. The opponent successfully opposed the applicant's application No. 3505157 to register the word element of the current trade mark in relation to *beers; non-alcoholic beers; low alcohol beers* on grounds of descriptiveness and non-distinctiveness.¹ The Hearing Officer in that case also rejected the applicant's alternative case that the mark had acquired a distinctive character through use prior to the relevant date. The applicant appealed the Hearing Officer's decision on the *prima facie* registrability of the mark to the Appointed Person. It did not appeal the first instance decision that the mark had not acquired a distinctive character through use.

13. Mr Phillip Johnson as the Appointed Person rejected the appeal². The applicant had relied on a judgment of the EU's Court of First Instance in *Dart Industries v OHIM*³. The mark sought in that case was ULTRAPLUS in relation to plastic oven wear. During the course of examining the alleged descriptiveness of that mark the court stated that:

"..the word 'ultra' does not designate a quality, quantity or characteristic of the ovenware which the consumer is able to understand directly. That word, as such, is only capable of reinforcing the designation of a quality or characteristic by another word."

14. Mr Johnson rejected the suggested analogy with *Dart Industries* like this:

¹ BL O/817/21

² BL O/479/22

³ T-360/00

“16. Mr Stobbs submits that the mark ULTRA simpliciter falls within..... Dart Industries as there is no other word in the sign. Indeed, he accepts that “Ultra Low Alcohol Beer” would be descriptive. The question, therefore, is whether when a consumer is faced with a beer with a particular identified characteristic (being low alcohol, non-alcoholic, pale, dark or whatever) would the use of the word ULTRA alone direct the consumer to think the beer possessed the identified characteristic to an extreme degree. I think the Hearing Officer was perfectly entitled to conclude that it would.”

15. As to the Hearing Officer’s finding that the mark was also devoid of any distinctive character, the Appointed Person noted that the appeal largely revolved around the Hearing Officer’s reliance upon *Wrigleys v OHIM*⁴. This case related to an attempt to register the sign EXTRA with some figurative elements for chewing gum. The General Court upheld the decision of the EUIPO that the mark was devoid of any distinctive character stating:

“...it should be noted that the word ‘extra’ is an adjective meaning ‘beyond or more than the usual, stipulated or specified amount or number; additional’ and that it denotes a promotional or laudatory meaning for all the goods covered by the mark applied for.”

16. Mr Johnson found that:

“Both EXTRA and ULTRA are modifying words and (in the absence of acquired distinctiveness) they are both laudatory and are without distinctive character at all.”

17. He concluded:

“... the reasons that ULTRA was rejected under section 3(1)(c) largely support the objection under section 3(1)(b) as well, but with more resonance. This is because Mr Stobbs’s argument that ULTRA needs a subject noun to be descriptive falls away. ULTRA is a simple modifying word like many others (big, small, tall, short &c) and so is devoid of distinctive character. I entirely agree

⁴ T-553/14

with the Hearing Officer's conclusion that the word ULTRA neither identifies one undertaking from another nor distinguishes the Applicant's products from those of other undertaking."

18. Some of the arguments presented by the applicant in this case are the same as those presented and rejected in the earlier opposition and appeal proceedings. The Court of Appeal England and Wales has held that opposition proceedings do not result in a final decision on the registrability of a trade mark.⁵ Consequently, decisions in opposition decisions do not create an estoppel preventing the same issues from being run again. The decisions of the previous Hearing Officer and the Appointed Person are of persuasive value so far as the registrability of the word ULTRA is concerned. I must nevertheless make my own decision on that issue, and on the composite mark which is the subject of these proceedings.

The section 3(1)(b) ground of opposition

Pleading point

19. The applicant submits that the Appointed Person's view that ULTRA is non-distinctive because it is a simple modifying word is "*interesting*" but not part of the opponent's pleaded case. I note that insofar as they relate to the non-distinctiveness of the word ULTRA, the opponent's pleadings in these opposition proceedings mirror the pleadings in the earlier proceedings. It follows that the Appointed Person must have considered his reasoning to fall within the opponent's pleaded case under section 3(1)(b).

20. I respectfully agree. The opponent's section 3(1)(b) pleading includes the following:

"The average consumer will immediately perceive the word 'ultra' to be a promotional or laudatory term which, when used in relation to beers and similar alcoholic drinks, suggests that the goods to which it is applied are superlative

⁵ *Special Effects Ltd v L'Oreal SA and Another* [2007] EWCA Civ 1

or have some positive or favourable characteristic in comparison with other beers.” (emphasis added)

21. Mr Johnson stated that ULTRA is a modifying word and laudatory (see paragraph 16 above). Therefore, his description of ULTRA as a simple modifying word was part and parcel of his reasoning that it was laudatory for beers, as the opponent contended, and therefore devoid of any distinctive character. The fact that ULTRA is a simple modifying word was not a standalone reason for his finding that the Hearing Officer had been correct to decide that the mark was non-distinctive. Consequently, I reject the applicant’s submission that the fact that ULTRA is a simple modifying word is outside the opponent’s pleaded case.

The case law

22. The principles to be applied under section 3(1)(b) of the Act (which mirrors article 7(1)(b) of the EUTM Regulation) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG*⁶ as follows:

“31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (Henkel v OHIM, paragraph 34; Case C-304/06 P Eurohypo v OHIM [2008] ECR I-3297, paragraph 66; and Case C-398/08 P Audi v OHIM [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (Storck v OHIM, paragraph 25; Henkel v OHIM, paragraph 35; and Eurohypo v OHIM, paragraph 67).”

⁶ C-265/09 P

Analysis

23. The parties appear to agree that ULTRA is an adjective meaning 'extremely'. It is normally used as a prefix or with a second word. Collins English Dictionary gives the example ULTRA-MODERN.⁷

24. As I noted earlier, the applicant relies on much the same arguments it put forward in the earlier opposition and appeal proceedings to support its case that ULTRA alone is not descriptive or laudatory.

25. The opponent similarly relies on the same arguments it used in the earlier opposition proceedings. These include judgments of the General Court in *Wm. Wrigley v OHIM* and *Vans v EUIPO*⁸ in which the EU's Court of First Instance/ General Court upheld the EUIPO's cancellation of the mark 'ultra.air' for air filtration on the basis that the use was descriptive and laudatory, and upheld the EUIPO's rejection of the mark 'Ultrarange' for clothing goods.

26. I have considered these cases and all the arguments presented at the hearing. The applicant's case turns on the significance of ULTRA being used alone and without another adjective or noun, such as 'low' or 'low alcohol'. According to the applicant, this will leave the average consumer without any clear and immediate understanding of what ULTRA describes in relation to beers.

27. I note that in *Miles-Bramwell Executive Services Ltd v EUIPO*⁹, the General Court found that the word mark FREE was devoid of any distinctive character in relation to a range of goods and services in classes 9, 16, 35, 41 & 44, all relating to dieting and weight control. This was because in light of the widespread use of terms such as 'sugar-free', 'alcohol-free' and 'fat-free', consumers of diet related goods/services were accustomed to seeing and interpreting the inclusion of the word 'free' as indicating the absence of one or several constituents of the foods and beverages for which those goods and services are supplied, rather than as an

⁷ See exhibit MLB2

⁸ Case T-377/13 & T-434/18

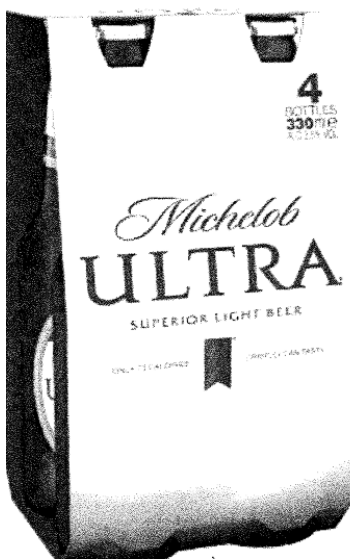
⁹ Case T-113/18

indication of trade origin. The absence of further words, such as ‘sugar-’, ‘alcohol-’ or ‘fat-’, was not therefore sufficient to endow FREE alone with a distinctive character. This suggests that the absence of a second adjective within the mark itself does not necessarily mean that ULTRA alone must be held to be distinctive.

28. According to the CJEU in *AS v Deutsches Patent – und Markenamt*¹⁰, it is necessary to take into account the types of use of the mark which, in the light of the customs in the sector concerned, can be “*practically significant*” and therefore affect the average consumer’s perception of it.

29. In this case, the absence of a second adjective or noun ceases to deprive ULTRA of a descriptive meaning and/or endow it with a distinctive character, when the word is considered in relation to particular sub-categories of beers e.g. ‘Ultra low calorie beer’. This is because the remainder of the description is self-evident from the characteristics of the goods themselves, and the practical context in which the mark is likely to be encountered by consumers.

30. In this connection, Mr Stobbs for the applicant, accepted at the hearing that normal and fair use of the applied-for mark (which I take to be a “practically significant” use) would include the following¹¹:



¹⁰ Case C-541/18

¹¹ This is from page 140 of the applicant’s evidence

31. In this example, the average consumer would likely consider ULTRA to designate that the beer possessed the identified characteristic of being a “*Superior Light Beer*” to an extreme degree. The same would apply if the beer was low alcohol, low calorie, or for that matter, high strength beer. In each case the word ULTRA would be understood as indicating that the beer possessed the relevant characteristic to an extreme degree.

32. The parties agree that the relevant public in this case is the general public, or at least those over 18 years of age. The parties disagree as to the degree of attention taken by average consumers when selecting beers. The opponent says that such consumers, who are deemed to be reasonably observant and circumspect, pay a normal degree of attention. The applicant submits that consumers of beers pay a higher than average degree of attention. In support of this submission, the applicant relies on *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors*¹², in which it was said that consumers of alcoholic beverages tend to stick to the brand they prefer. That case concerned gins. This case concerns beers. The evidence indicates that the applicant’s Michelob Ultra beers retail for around £1 per can. These are not the sort of goods to which consumers are likely to display exceptional brand loyalty and/or a higher than average degree of attention when selecting them. I accept the opponent’s submission that average consumers are likely to pay a normal degree of attention when selecting beers.

33. The immediate reaction of an average consumer encountering the word ULTRA in relation to beers marketed without any identifiable characteristics (if there is such a product) would probably be that the beer was extremely ‘something’. It is highly unlikely that an average consumer would consider the matter in sufficient depth to (a) recognise that the product has no identifiable characteristics, and (b) work backwards from that appreciation to arrive at the conclusion that ULTRA must therefore be a trade mark.

34. As regards non-alcoholic beers, these are also likely to be low calorie beers. Therefore, ULTRA will be understood to designate the extremely low calories. This time around the applicant has qualified the first product in its description of goods as

¹² [2020] EWHC 2424

beers, not including low alcoholic beers. This makes no difference because the description still covers low calorie beers. Further, the same objection would apply if the beers were Ultra high strength beers or possessed some other characteristic. Restricting the specification further to 'bog standard' beers is not an option because, if anything, it would be a characteristic of the goods rather than a defined category of beers¹³. I therefore conclude that the word ULTRA is non-distinctive for beers, including low and non-alcoholic beers.

35. The typeface in which the word appears within the applied-for mark is banal and adds no distinctive character to the mark.

36. I have not lost sight of the fact that the crucial question is whether the mark as a whole possesses a distinctive character, even if the word ULTRA alone does not.

37. According to the opponent, the device element of the applied-for mark will be recognised by average consumers as a red ribbon, which adds to the laudatory and purely promotional message conveyed by the word ULTRA. The opponent filed some evidence purporting to show that ribbons and banners are in common use on alcoholic drinks¹⁴. I do not find the opponent's evidence on this matter of any assistance. This is because it is, as the applicant points out, nearly all related to the use of banners rather than ribbons. It is also dated after the relevant date.

38. Mr Stobbs for the applicant submitted that the addition of the red device element beneath the word ULTRA gave the mark as a whole distinctive character because:

- (i) The device was not recognisable as a ribbon and was instead a simple but distinctive geometrical shape;
- (ii) The presence of the device prevented the meaning of the word ULTRA 'feeding into' any following descriptive words used on the goods, their packaging or promotional materials;

¹³ *Omega v Omega Engineering Incorporated* [2012] EWHC 3440 (Ch) applying the CJEU in *Postkantoor*

¹⁴ See exhibits MLB6 and 7

(iii) The device itself had no meaning which complemented the meaning of the word ULTRA.

39. In my view, the device positioned beneath the word ULTRA in the contested mark is likely to be perceived as a representation of a ribbon of the kind often used to display medals. This is because of its (a) vertical 'hanging' position, (b) split ending, and (c) red colouring. I accept the opponent's submission that the presence of such a graphical feature is likely to reinforce the laudatory message conveyed by the word ULTRA rather than give the mark as a whole a distinctive trade mark character.

40. Further, even if I am wrong about that, it does not follow that the addition of a simple geometrical device (as the applicant would have it) necessarily gives the mark as a whole a distinctive character. In this connection, I note that in *Adapta Colour SL v EUIPO*¹⁵, the EU's General Court upheld the EUIPO's decision to refuse the mark shown below in relation to chemicals, paints and related services under the equivalent of section 3(1)(c) of the Act.



41. Having found that 'Adpata Powder Coatings' was descriptive the court stated:

"98. Finally, fourthly, the applicant claims that the graphic and structural elements confer sufficient distinctive character on the contested mark and it refers to the national and European registrations cited in the second plea.

99. As regards marks composed of several word and figurative elements, it must be borne in mind that, in order to assess the descriptive character of a compound mark, not only must the various elements of which it is composed be examined but also the mark as a whole, so that such an assessment must be based on the overall perception of that trade mark by the relevant public. The mere fact that each of those elements, considered separately, is

¹⁵ T-223/17

descriptive does not preclude that their combination may be devoid of such character (see, to that effect, judgments of 8 May 2008, Eurohypo v OHIM, C-304/06 P, EU:C:2008:261, paragraphs 41 and 42, and of 14 July 2017, Klassisk investment v EUIPO (CLASSIC FINE FOODS), T-194/16, not published, EU:T:2017:498, paragraph 23).

100. In the present case, however, as EUIPO and the intervener indicate, the figurative element, consisting of a blue dot, two simple arches facing each other and a general white background, consists of simple and purely decorative forms. The word element dominates the contested mark and the Board of Appeal, which took due account of that figurative element, was therefore right to find that it would not prevent the direct and specific perception of the factual meaning arising from the words of the contested trade mark. While the existence of an additional figurative element can change the perception of the mark taken as a whole, that is not the case here and the attention of the relevant public is not diverted from the clear descriptive message conveyed by the word elements.”

42. In my view, even if the device in the applied-for mark is seen as a simple geometrical device, this will make little impact on consumers. This is because (a) the device is smaller and positioned so as to be subsidiary to the word ULTRA, and (b) if it is seen as a simple geometric shape, it is banal, apparently decorative, and not memorable.

43. Finally, as to the argument that the addition of the device prevents the word ULTRA appearing in such a way that it feeds through into a description of characteristic or category of beers, such as low calorie beers, the applicant's concession that the mark shown at paragraph 30 above would represent normal and fair use of the mark applied-for shows this is not the case. In any event, as the opponent pointed out, there is nothing to prevent a further description from appearing adjacent to the word ULTRA rather than beneath it.

44. For the reasons given above, I find that the contested mark is devoid of any distinctive character and *prima facie* excluded from registration by section 3(1)(b) of the Act.

The opposition under section 3(1)(c) of the Act

45. The case law under section 3(1)(c) (corresponding to article 7(1)(c) of the EUTM Regulation) was set out by Arnold J. (as he then was) in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc*¹⁶ as follows:

“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (C-51/10 P) [2011] E.T.M.R. 34 as follows:

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40 , p. 1), see, by analogy, [2004] ECR I-1699 , paragraph 19; as regards Article 7 of Regulation No 40/94 , see Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18 , paragraph 30, and the order in Streamserve v OHIM (C-150/02 P) [2004] E.C.R. I-1461 , paragraph 24).

36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94 . Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia , Henkel KGaA v Office for Harmonisation

¹⁶ [2012] EWHC 3074 (Ch)

in the Internal Market (Trade Marks and Designs) (OHIM) (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44 , paragraph 45, and Lego Juris v OHIM (C-48/09 P) , paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, OHIM v Wrigley , paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94 , it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (OHIM v Wrigley, paragraph 32; Campina Melkunie , paragraph 38; and the order of 5 February 2010 in Mergel and Others v OHIM (C-80/09 P), paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee [1999] ECR I-2779, paragraph 35, and Case C-363/99 Koninklijke KPN Nederland [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (Koninklijke KPN Nederland, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that

that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

*50. The fact that the legislature chose to use the word ‘characteristic’ highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56).”*

*92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97].”*

46. For the same reasons given for refusing *prima facie* registration under section 3(1)(b), I find that the contested mark consists exclusively of a sign which may serve, in trade, to designate the quality or other characteristics of the goods, specifically that the beers possess a characteristic to an extreme degree.

47. Mr Stobbs for the applicant submitted that this objection could not apply because the mark included a graphic element, not just the word ULTRA. However, in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc*¹⁷, Arnold J. (as he then was) held that a descriptive word with a minor figurative embellishment (as shown below) was, as a whole, excluded under the equivalent of section 3(1)(c) of the Act.

¹⁷ [2013] F.S.R. 29



48. The judge found that:

“116. Taking all of the evidence into account, I conclude that the CTM is precluded from registration by art.7(1)(c) in relation to the services in issue because NOW would be understood by the average consumer as a description of a characteristic of the service, namely the instant, immediate nature of the service. The figurative elements of the CTM do not affect this conclusion. In the alternative, if the inclusion of the figurative elements means that the CTM does not consist exclusively of the unregistrable word NOW, I consider that the CTM is devoid of distinctive character and thus unregistrable by virtue of art.7(1)(b) .

117. I would comment that it appears to me that PCCW only succeeded in obtaining registration of the CTM because it included figurative elements. Yet PCCW is seeking to enforce the CTM against signs which do not include the figurative elements or anything like them. That was an entirely foreseeable consequence of permitting registration of the CTM. Trade mark registries should be astute to this consequence of registering descriptive marks under the cover of a figurative figleaf of distinctiveness, and refuse registration of such marks in the first place.”

49. See also the judgments of the EU’s General Court in *Spirig Pharma v EUIPO*¹⁸, (‘Daylong’ with stylised letter ‘o’ for cosmetics and medications that last all day), *Bayer Intellectual Property v EUIPO*¹⁹, (stylised heart device for services for treating cardiovascular diseases) and *APEDA v EUIPO*²⁰ (‘Sir Basmati’ ‘Rice’ and device of a man in a turban with other figurative elements).

¹⁸ Case T-261/15

¹⁹ Case T-123/18

²⁰ Case T-361/18

50. Similarly, I find that whether the graphic element of the applied-for mark consists of a red ribbon device which adds to the laudatory impression created by the word ULTRA, or if it is perceived as a simple geometric device as the applicant contends, it does nothing to change the laudatory and descriptive message conveyed by the word ULTRA and the mark as a whole.

51. Subject to the opponent's case on acquired distinctiveness, the opposition under section 3(1)(c) therefore also succeeds.

The opposition under section 3(1)(d)

52. Having found that the contested mark is excluded from *prima facie* registration by sections 3(1)(b) and (c) of the Act, I can deal briefly with the further ground of opposition under section 3(1)(d).

53. Both sides have filed some evidence seeking to show that ULTRA and banner or ribbon devices are, or are not, commonly used in relation to alcoholic drinks.²¹ The high point of the opponent's evidence is examples of third parties using 'Ultra Pale Ale', 'Hofmeister Ultra Low', 'No.11 Ultra Light Anytime Pale Ale' and 'Gouden Caralus Ultra'. The applicant's evidence seeks to establish that it is the only user of ULTRA in relation to lagers (as opposed to other types of beers). I do not find this evidence of any assistance because it has all been collected after the relevant date. Further, the volume and clarity of the uses shown is not such that I can safely draw inferences (either way) as to the extent of the use of the ULTRA in the trade in beers at the relevant date. For this reason the opposition under section 3(1)(d) fails.

Acquired distinctiveness

54. The CJEU provided guidance in *Windsurfing Chiemsee*²² as to the correct approach with regard to the assessment of the acquisition of distinctive character through use. The guidance is as follows:

²¹ See MLB3, MLB6 and 7 of the opponent's evidence and exhibits PVDB41 and 42 of the applicant's evidence

²² Joined cases C-108 & C-109/97

“51. In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into account: 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 class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.

52. If, on the basis of those factors, the competent authority finds that the relevant class of persons, or at least a significant proportion thereof, identify goods as originating from a particular undertaking because of the trade mark, it must hold that the requirement for registering the mark laid down in Article 3(3) of the Directive is satisfied. However, the circumstances in which that requirement may be regarded as satisfied cannot be shown to exist solely by reference to general, abstract data such as predetermined percentages.”

55. The applicant bears the onus of proving the contested mark had acquired a distinctive character through use prior to the relevant date²³. I will therefore focus on the evidence of use of the contested mark prior to 6th January 2021.

56. Mr van den Bulck’s evidence is that the applicant is the largest brewer of beers in the world. It has over 900 brands, 150 of which are sold in the UK. In 2020, the beers sold under these marks account for 21.54% of the UK market. UK sales of beers made under one of these marks alone - Stella Artois – amounted to £1 billion in 2020. Budweiser was the applicant’s second most valuable brand of beers in the UK in the same year²⁴.

57. The applicant also sells Michelob beers. The contested mark was developed to meet growing demand for low alcohol/low calorie beers. It is said to be a sub-brand used for low calorie and relatively low alcohol (3.5 - 4% ABV) Michelob beers.

²³ See *Oberbank AG & Banco Santander SA and Another v Deutscher Sparkassen- und Giroverband eV*, CJEU, Joined cases C-217 and 218/13

²⁴ See exhibit PvdB8 at page 62

According to Mr van den Bulck, ULTRA beers have been advertised on the applicant's website since 2008. However, there is no documentary evidence showing any use of ULTRA in the UK prior to September 2018. Mr van den Bulck says that the mark was "re-launched" in the UK in 2018. It is sold in cans and bottles and advertised on the websites michelobultra.com and michelobultra.co.uk.

58. The goods are sold through some Morrisons, Asda, Tesco and Sainsbury's stores, Co-op convenience stores, Ocado and Amazon. The picture below is from Morrison's website²⁵.



59. Mr van den Bulck says that products bearing the contested mark were advertised:

- (a) through TV advertisements broadcast around the time of the launch of the product in 2018²⁶ (he does not say which TV channels were used or how many viewers they had at the relevant time(s));
- (b) on billboards, brochures and leaflets²⁷;
- (c) on London Underground and bus stops²⁸;
- (d) through sponsorship of races organised by Virgin²⁹;

²⁵ See PvdB18

²⁶ See exhibit PvdB 22, which consists of two pages from YouTube showing the mark in use in October 2018

²⁷ Three examples are at PvdB 24 and a billboard advertisement from Liverpool at the time when Liverpool Football Club were celebrating winning the UEFA Champions League in 2019 is at PvdB 25. Further pictures showing promotional stands at train stations are at PvdB 27, but these are not self-dated or dated by the witness to before the relevant date.

²⁸ One of the examples at PvdB 24 is said to show an advertisement on "public transport", but it is not clear where this is from, or when.

²⁹ Exhibit PvdB 29 shows the contested mark on billboards at the Oxford Hall and Hackney Half road races in 2019

(e) through a partnership with Spotify in 2019³⁰.

60. The launch of the Michelob Ultra product in September 2018 was covered in some of the trade press. For example, an article under the title “*AB InBev to launch Michelob Ultra low-strength beer in UK*” appeared on the website drinks-insight-network.com on 17th September 2018³¹. Similar articles followed during 2018/19³².

61. The applicant spent over £900k promoting beers under the contested mark in 2018 and over £2.5m in 2019. This resulted in UK sales of beers under the mark exceeding £400k in 2018, £2.5m in 2019, and £590k in 2020. This amounts to around £3.5m in total UK sales prior to the relevant date. According to Mr van den Bulck, over 6.9m bottles or cans of beers bearing the mark were sold in the UK in 2018, over 6m in 2019, and over 13m in 2020. However, after Mr St Quintin (for the opponent) pointed out at the hearing that this would mean that the applicant’s products were sold for as little as 4.5 pence per can or bottle, Mr Stobbs was constrained to accept that the volume sales figures provided for the UK could not be correct. It appears that the applicant’s goods are actually sold for around £1 per can/bottle, indicating total UK sales of around 3.5m cans/bottles prior to the relevant date.

62. The applicant has not provided market share figures for the contested mark. According to Mr van den Bulck, ULTRA beers were one of the applicant’s top 15 brands in May 2021. In support of this claim he provides an independent market research report from Neilson and CGA³³ which he claims shows that ULTRA was in the applicant’s top 15 brands in the UK at the time. The report itself lists ‘Michelob Ultra’ as 11th in a list of 20 of the applicant’s brands. However, it does not purport to rank the brands in terms of sales volumes but in terms of changes to sales values. Budweiser tops the list with increased sales of around £44m over the (unspecified) period. Stella Artois is at the bottom with decreased sales of £223m. Michelob Ultra is in the middle of the list with decreased sales of £3.2m. Even leaving aside the fact

³⁰ This appears to have involved inviting people to a Michelob Ultra microsite where visitors could generate a Spotify playlist of music for users to listen to whilst on their run: see PvdB 30

³¹ See exhibit PvdB 17

³² See exhibit PvdB 31

³³ See exhibit PvdB 6

that the period covered by the report may postdate the relevant date, I find it sheds no light on the actual share of the UK market held by the contested mark.

63. Mr van den Bulck also provides graphs showing what he describes as the “*ULTRA Share of Voice*”³⁴. He explains that this “*..measures the market a brand owns by comparison with its competitors.*” He does not explain how it does this, or even what is meant by ‘voice’. The graphs record that Michelob Ultra Light UK had 663 “*mentions*” representing 13% of the total. The time line shows that most of these occurred in September 2021 (i.e. 9 months after the relevant date). Consequently, even if these “*mentions*” relate to the mark appearing in articles in the UK media, they are irrelevant because they must relate to promotion of the mark after the relevant date. Again, I find this evidence sheds no light on the actual share of the UK market held under the contested mark (at any date).

64. The absence of market share information is all the more surprising because it is clear from Mr van den Bulck’s evidence that the applicant monitors the market for its brands very closely. Mr St Quintin pointed out at the hearing that the applicant claims to have just over 20% of the UK market for beers and includes a report that just one of its 150 brands (Stella Artois) accounted for £1 billion of sales in the UK in 2020. Therefore, the value of the UK market for beers must be considerably in excess of £5 billion per annum. Indeed, it must run into 10s of £billions. It follows that although sales of £3.5m of beers over just over two years sounds like substantial sales, they in fact account for just a fraction of 1% of the UK beer market. It is true that the applicant’s Michelob Ultra beer is aimed at a specific section of the market concerned with lower calorie beers, and the contested mark may hold a more significant share of that specific market. It was open to the applicant to provide market share information relating to that subset of the UK market, but it has chosen not to do so. I therefore conclude that the applicant has not shown that the contested mark holds, or held, a significant share of any relevant UK market for beers. I say “*or held*” because I note that the sales value figures provided show a peak in sales in 2019 before a decline in sales in 2020 and 2021. I also note that the advertising expenditure figures for 2018/2019 equal or exceed the sales value figures for those years, and that no

³⁴ See exhibit PvdB 32

advertising expenditure figures have been provided for 2020. This suggests that the product was not very successful on the UK market, and that both advertising and sales were diminishing in the period leading up to the relevant date.

65. Returning to the factors listed in the *Chiemsee* case, these are:

How intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark

66. The contested mark appears to have been used throughout the UK as part of the Michelob Ultra brand for about 2 years and 4 months prior to the relevant date. Although the evidence is not entirely clear, it appears as though there was significant promotion of the composite mark during 2018/2019, but sales volumes were relatively modest for a mass market beer.

The market share held by the mark

67. There is no clear evidence of market share, but it appears to have been very small.

Statements from chambers of commerce and industry or other trade and professional associations

68. None have been provided.

The proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking

69. Taking account of the likelihood of repeat sales to the same consumers, the number of consumers who actually bought beers under the contested mark prior to the relevant date does not appear to represent a significant proportion of the relevant UK public. However, it seems likely that the applicant's promotion of the Michelob Ultra mark would have brought the contested mark to the attention of considerably more potential consumers.

70. Mr St Quintin submitted that as the mark was always used as part of the Michelob Ultra branding, it was not safe to infer that all those who knew of the composite mark regarded the contested mark alone as distinctive of the applicant. He submitted that it

was particularly difficult to draw this inference when Michelob is a clearly distinctive sign, but ULTRA is laudatory and non-distinctive in nature, and the ribbon-like device is but a trivial and (also) laudatory addition. Mr St Quintin likened the position to BUD LIGHT, in which BUD is plainly distinctive but LIGHT alone is not.

71. Mr Stobbs submitted that the use shown of the contested mark was in the nature of trade mark use. He pointed out that it is not necessary to show that the mark applied-for has been used alone, or that consumers have come to rely on the mark to select the goods of a particular undertaking.

72. It is well established that a trade mark can acquire a distinctive character through use in conjunction with, or a part of, another mark³⁵. However, if a non-distinctive sign is only used with a distinctive mark – such as Michelob – this makes it more difficult to prove that the inherently non-distinctive mark has acquired a distinctive character³⁶.

73. In *Société des Produits Nestlé SA v Cadbury UK Ltd*³⁷, the CJEU considered a preliminary reference from the High Court of England and Wales which sought guidance about the legal test for showing that a trade mark had acquired a distinctive character through use. The CJEU answered the question in these terms:

“In order to obtain registration of a trade mark which has acquired a distinctive character following the use which has been made of it within the meaning of Article 3(3) of Directive 2008/95, regardless of whether that use is as part of another registered trade mark or in conjunction with such a mark, the trade mark applicant must prove that the relevant class of persons perceive the goods or services designated exclusively by the mark applied for, as opposed to any other mark which might also be present, as originating from a particular company.”

74. After the proceedings resumed in the UK courts the Court of Appeal in England and Wales³⁸ indicated that it understood the CJEU’s answer to mean:

³⁵ *Société des Produits Nestlé SA v Mars UK Ltd*, CJEU Case C-353/03

³⁶ See the EU’s General Court judgment in *Audi AG, Volkswagen AG v OHIM*, Case T-318/09 and the judgment of Jacob J. (as he then was) in *Treat* [1996] R.P.C. 281

³⁷ Case C-215/14

³⁸ [2017] EWCA Civ 358

- (i) A non-distinctive mark can only acquire distinctive character if, as a consequence of the way(s) that it has been used, a significant proportion of the relevant public would, at the relevant date, have taken the mark, by itself, to mean that the goods/services sold under it are those of a single undertaking, which is responsible for their quality.
- (ii) In answering this question it is necessary to distinguish between, on the one hand, mere recognition of the mark in the abstract and, on the other hand, the likely use of that mark during the course of trade, by the relevant public, for the purposes of distinguishing the source of the goods/services.
- (iii) It is not necessary to show that a significant proportion of the relevant public have in the past placed reliance on the mark for this purpose. This may be particularly difficult where the mark has been used with, or as part of, other distinctive marks.
- (iv) However, evidence of such reliance will mean that the mark has acquired a distinctive character.
- (v) It is necessary to consider all the evidence, particularly the way(s) in which the mark has been used and promoted, together with the duration and extent of the use.

75. There is no evidence of consumers (or anyone else) relying on the contested mark (or the word ULTRA) alone to distinguish the applicant's beers. The legal test nevertheless requires the applicant to show that as a result of the use made of it in the 2 years and 4 months preceding the relevant date, a significant proportion of the relevant public would be likely to use the mark during the course of trade for the purposes of distinguishing the source of the goods.

76. I accept that the task of turning ULTRA into a trade mark would not have been as onerous as trying to turn a very common term, such as LIGHT, into a trade mark for beers. Nevertheless, average consumers would have to be educated through, inter alia, repeated exposure and context, to perceive the contested mark, by itself, as a trade mark for beers.

77. I also accept that some of the use shown in the evidence is capable of being perceived in a way that a significant proportion of those consumers who saw it would come to regard as trade mark use, e.g. the use shown in paragraph 30 above. I am more doubtful about some of the other uses shown, e.g. in paragraph 58 above.

78. Ultimately, I do not consider that the use shown of the contested mark, prior to the relevant date, is sufficient, either because of its nature or the relatively limited scale of use, to have led a significant proportion of the relevant UK public to have expected all beers marketed under the contested mark, by itself, to designate the beers of a particular undertaking, i.e. the applicant. I therefore reject the applicant's case that the mark had acquired a distinctive character through use.

Overall outcome

79. The grounds of opposition under sections 3(1)(b) and (c) of the Act have succeeded. The opposition under section 3(1)(d) fails.

80. The application will be refused.

Costs

81. The opposition has been successful and the opponent is entitled to a contribution towards its costs. I assess this as follows:

£200 for the official fee for filing the Form TM7;

£300 for preparing and filing the notice of opposition and considering the applicant's counterstatement;

£1500 for filing evidence and considering the applicant's evidence;

£1000 for taking part in the hearing and filing a skeleton argument.

82. I therefore order Anheuser-Busch, LLC to pay Amstel Brouwerij B.V. the sum of £3000 within 21 days the end of the period allowed for appeal or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated 16th December 2022

Allan James
For the Registrar