



**IPAB Intellectual Property Appellate Board**

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OA/23/2020/TM/CHN

TUESDAY, THIS THE 9<sup>TH</sup> DAY OF FEBRUARY, 2021

HON'BLE SHRI JUSTICE MANMOHAN SINGH : CHAIRMAN  
HON'BLE MS LAKSHMIDEVI SOMANATH : TECHNICAL MEMBER (TRADEMARKS)  
HON'BLE MR. MAKYAM VIJAY KUMAR : TECHNICAL MEMBER (TRADE MARKS)

MONSTER ENERGY COMPANY  
1 MONSTER WAY,  
CORONA, CALIFORNIA 92879,  
UNITED STATE OF AMERICA

.....APPELLANT

(Represented by: Mr. Julick Isaiah)

**Versus**

THE REGISTRAR OF TRADE MARKS  
TRADE MARKS REGISTRY  
BOUDHIK SAMPADA BHAVAN  
GST ROAD, GUINDY  
CHENNAI - 600032

.....RESPONDENT

(Represented by: None)

**ORDER**

**Hon'ble Ms. Lakshmidevi Somanath, Technical Member (Trade Marks)**

1. This is the Appeal against the Order of Registrar of Trade Marks, Chennai dated 07 May 2019 and the grounds of decision dated 24 January 2020 refusing Trademark Application no. 3283428 for the mark "ENERGY HYBRID" in respect of the goods under class 32.

**FACTS OF THE CASE**

2. The Appellant is a company incorporated in USA and has a 35% share of the energy drink market, the second highest share after Red Bull. Monster Energy is known for their sponsorship and support for extreme sports events, such as Bellator MMA, Ultimate Fighting Championship, Moto GP, BMX, motocross, speedway, skateboarding, snowboarding and the Monster Energy NASCAR Cup Series (2017-19). Monster currently sponsors the FIA World Rallycross Championship, and the PBR: Unleash the Beast Professional Bull Riders tour, in addition to sponsoring the bag of professional golfer Tiger Woods. The company also has a strong presence in the music industry, promoting a number of music bands around the world in the Monster Energy Outbreak Tour.

3. On 13 June 2016, the Appellant made a Trademark Application no. 3283428 for the mark “ENERGY HYBRID” in respect of the non alcoholic beverages under class 32. The Application was examined by the Respondent vide examination report dated 27 October 2016 wherein the Respondent had raised objection under Section 9 and 11 and the report was available on-line. The Appellant filed their response to the objection on 17 January 2017.

4. On 04 February 2019 the matter was set down for a personal hearing before the Registrar of Trade Marks. On 07 May 2019, the Respondent passed a non speaking order, merely laying down the statutory grounds for refusal and refusing the application. The order stated as follows:

*GOWTHAM Applicant/ Advocate/ Agent appeared before me and made his submissions. I have heard arguments, gone through the records and passed the following Order.*

*\* 9 - Absolute grounds for refusal of registration.*

*\* 9(1)(a) - The trade mark is devoid of any distinctive character, that is to say, not capable of Distinguishing the goods or services of one person from those of another person:*

*\* 9(1)(b) - The Trade Mark consist exclusively of marks or indications which serve in trade to designate the kind, quality, and intended purpose of the applied goods*

*\* 11(1)(b) - Relative grounds for refusal of registration. The said trade Mark is refused for registration because of its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.*

5. Upon requesting for grounds of decision on 17 May 2019, the Respondent issued the Statement grounds of decision dated 24 January 2020 which was received by the Appellant on 30 January 2020 and which stated as follows:

*The entire documents are appreciated. From analyzing facts of the case, Counsel has not explained the genuine reasons for adopting the particular words as the trade mark by the Applicant. The impugned trade mark is in direct relationship, highly descriptive nature with the goods. The impugned trademark is not capable of distinguishing the goods of one person from those of another person.*

*Since the application was filed as a proposed to be used basis the question of acquired distinctive character as a result of the use before the date of filing of the application as defined under proviso of Section 9(1) of the Trade Marks Act, 1999 does not arise in this application.*

*After scrutinizing all the facts as mentioned in the trademark application as well as the material evidence in support of the said facts which are available in the file, the Tribunal is decided that there is no doubt that the impugned trademark has neither acquired distinctive character before the date of filing of the application nor the well known trade mark as defined under proviso of Section 9(1) of the Trade Marks Act, 1999.*

*In my opinion the impugned trade mark comes under the category of incapable of registration as the same is not distinctive one. It is apparent that there are some words like ‘ENERGY HYBRID’ which are so apt for normal*

*description that no amount of trade mark use can render such words “capable of distinguishing” the applicants’ goods or services to justify exclusive appropriation. Therefore, Proviso to Section 9(1) does not come to rescue of applicants.*

Hence the present Appeal before us

### **ARGUMENTS MADE BY THE APPELLANT**

6. The learned counsel for the Appellant Mr. Julick Isaiah submitted that the Respondent No. 1 failed to take into consideration that the words ‘ENERGY HYBRID’ when considered as a whole is inherently distinctive and capable of distinguishing the goods for which the mark is claiming protection.


7. Learned Counsel also submitted that the Respondent failed to consider the established practice that Trade Marks should not be dissected but considered as a whole, as per which, the subject mark is inherently distinctive and capable of being associated solely with the Applicant herein.

8. Appellant also argued that the Respondent failed to consider that the fact that the mark was granted protection in Iceland, Japan, Mexico and Switzerland sufficiently establishes that the mark has been considered as inherently considered in those jurisdictions. Copies of the said certificates were placed before us.

9. The case was also made that the Respondent failed to consider that the context in which the mark ‘ENERGY HYBRID’ will appear is such that the relevant trade fraternity and the public will understand that the mark ‘ENERGY HYBRID’ emanates from the Appellant thereby creating a unique impression in the marketplace.

10. Regarding refusal based on Sections 11 (i), Counsel for the Appellant argued that the only common element between the Appellant’s mark and the cited mark is the word ENERGY, which in any case is common to the trade and no single entity can claim exclusivity over the said word. Neither the initial order nor the detailed order refers to the marks based on which the Section 11 objection is based. Looking at the cited marks in the Examination Report, the Respondent failed to consider that the subject mark ENERGY HYBRID when compared as a composite whole is visually, phonetically and conceptually different from each of the cited marks. The below data was placed before us:

Sl No	Trade Mark No:	Trade Mark	Status
1	2667936		Refused
2	2708290		Refused
3	2792780		Refused

4	2863755		Refused
5	2896707	ENERGY	Refused

All the above cited marks have been refused. The Respondent has failed to consider this aspect.

## FINDINGS

11. We have examined the Order of Registrar of Trade Marks, Chennai dated 07 May 2019 and the grounds of decision dated 24 January 2020 refusing Trademark Application no. 3283428 for the mark “ENERGY HYBRID” in respect of the goods under class 32 and reviewed the submissions of the Appellant.

12. We find that the impugned Order makes only a bare reference to Section 11 of the Trademarks Act, 1999 without any explanation as to grounds of objection under Section 11, which is contrary to the law and without proper appreciation of the merits elaborated in the response to the examination report and the arguments placed during the Show-Cause Hearing. The Respondent has only barely mentioned in the grounds of decision that the applied mark is refused under Relative Grounds of Decision and Section 11 of the Trade Marks Act without giving any reason for the same.

13. The doctrine of deceptive similarity was explicated in the *Pianotist Case: 1906(23) RPC 774* - “You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods - then you may refuse the registration, or rather you must refuse the registration in that case”. Later judgments of the Hon’ble Supreme Court in *Amritdhara v. Lakshmandhara* and in *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.* placed reliance on the same. In *National Sewing Thread Co. Ltd. Chidambaram v. James Chadwick and Bms. Ltd.* the Hon’ble Apex Court clearly elucidated that the Court must assess each matter from the position of a purchaser “who must be looked upon as an average man of ordinary intelligence”. This purchaser would respond to a particular trade mark in the market, associate the trade mark with the goods he would be procuring. The Respondent has failed to consider that in fact when comparing each of the cited mark with the applied mark, as per the general trade mark principle, the word ‘HYBRID’ is a distinguishable feature in the subject mark and hence the potential for any market confusion with the cited marks will not arise.

14. The elements which were articulated by the Hon’ble Supreme Court in *Cadila Healthcare* in determining the question of deceptive similarity are as follows:

- a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks, i.e. both words and label marks;
- b) The degree of resemblance between the marks, phonetically similar and hence similar in idea;
- c) The nature of the goods in respect of which they are used as trade marks;
- d) The similarity in the nature, character and performance of the goods of the rival traders;
- e) The class of purchasers who are likely to buy the goods bearing the marks they require, or their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods;
- f) The mode of purchasing the goods or placing orders for the goods; and
- g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

15. In the present case, the Respondent failed to consider that the mark applied mark 'ENERGY HYBRID' is not commonly used to denote or specify the goods specified in the application. The mark 'ENERGY HYBRID' is a coined term, can leave a lasting impression in the mind of end consumers and hence inherently distinctive, and therefore, the fact that the mark is filed 'Proposed to be used', does not in any way dilute the distinctiveness of the mark.

16. Further, inspite of the plethora of judgments on the anti-dissection rule and the necessity to avoid dissecting a mark when comparing it with another mark, the Respondent has resorted to the same and after dividing the impugned mark into two, taken up the first part alone, i.e. ENERGY, for comparison with the cited marks. It is a well settled proposition that the marks have to be compared as a whole. In *Wyeth Holdings Corporation v Burnet Pharmaceutical (Pvt) Ltd* (AIR 2008 Bom 100), the Hon'ble Bombay High Court held that the plaintiff's trademark constituted a composite invented word, and that it was not open to the defendant to claim that it was only a combination of common elements by a process of breaking down the mark. This Board in *Sun Pharma Laboratories Limited v. Agila Specialties Private Limited*, ORA/55/2015/TM/MUM and ORA/1/2016/TM/MUM | 18-06-2020, discussed the judgment of the Hon'ble Delhi High Court in *United Biotech Pvt. Ltd. V. Orchid Chemicals and Pharmaceuticals 2012(50) PTC 433 (Del) (DB)* and laid down that:

*A mark should not be dissected or split up into its component parts and each part then compared with corresponding parts of the conflicting mark to determine the likelihood of confusion. It is the impression that the mark as a whole creates on the average reasonably prudent buyer and not the parts thereof, that is important. As the Supreme Court observed: "The commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety." The antidissection rule is based upon a common sense observation of customer behavior: the typical shopper does not retain all of the individual details of a composite mark in his or her mind, but retains only an overall, general impression created by the composite as a whole. It is the overall impression created by the mark from the ordinary shopper's cursory observation in the marketplace that will or will not lead to a likelihood of confusion, not the impression created from a meticulous comparison as expressed in carefully weighed analysis in legal briefs. In litigation over the alleged similarity of marks, the owner will emphasize the similarities and the alleged infringer will emphasize the differences. The point is that the two marks should not be examined with a*

*microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity are more important than minor points of difference. A court should not engage in "technical gymnastics" in an attempt to find some minor differences between conflicting marks. However, where there are both similarities and differences in the marks, there must be weighed against one another to see which predominate. The rationale of the anti-dissection rule is based upon this assumption: "An average purchaser does not retain all the details of a mark, but rather the mental impression of the mark creates in its totality. It has been held to be a violation of the anti-dissection rule to focus upon the "prominent" feature of a mark and decide likely confusion solely upon that feature, ignoring all other elements of the mark. Similarly, it is improper to find that one portion of a composite mark has no trademark significance, leading to a direct comparison between only that which remains."*

17. Thus, the Respondent has failed to consider that in view of the marked differences in each of the cited marks and the subject mark, the section 11 objection has no legal or factual basis. In view of the above circumstances, it is abundantly evident that the Appellant's mark when compared as a whole is dissimilar from the cited marks by any yardsticks comparison, be it aural, visual or conceptual. Further, the Respondent has provided no explanation in the grounds of decision as to the reason due to which objection under Section 11 is being sustained. Therefore, the reasoning that the applied mark is contrary to Section 11 of the Trade marks Act, 1999 under relative grounds of refusal is not valid as the mark is neither identical nor similar to any of the cited marks and is liable to be set aside.

18. The irony is that all the 5 cited marks in the Examination Report have been refused, and the Respondent could have discerned the same through a mere application of time and mind. The impugned order refusing the Appellant's mark is therefore contrary to the well-established principles governing registrability of trademarks.

19. The Respondent has based decision on Section 9(1)(a) and Section 9(1)(b) of the Act the impugned order that mark is highly descriptive and is in direct relationship with nature of goods and indicates the intended purpose of the goods which is sought for registration. The Respondent has failed to take into consideration the fact that the words 'ENERGY HYBRID' in the mark which is to be considered as a whole, is an invented term which has no reference to the character or quality of the goods for which it is proposed to be registered. The Respondent has failed to consider that the applied mark is not commonly used to denote or specify the goods specified in the application. The Respondent has failed to consider the established practice that Trade Marks should not be dissected but considered as a whole, as per which, the subject mark is inherently distinctive and capable of being associated solely with the Applicant herein. Thus, the Respondent has failed to appreciate and consider the fact that the mark can leave a lasting impression in the mind of end consumers thereby acquiring distinctiveness with use. Reliance is placed on *M/S Bharat Biotech International Ltd vs Optival Health Solutions Pvt. Ltd., 2020 SCC Online Del 852*, relevant paragraphs as below:

20. As to the standard of evidence required to demonstrate distinctiveness, it was held, in *British Sugar [1996] RPC 281*, that:

*"There is an unspoken and illogical assumption that use equals distinctiveness. The illogicality can be seen from an example: no matter how much use a manufacturer made of the word "Soap" as a purported trade mark for soap the word would not be distinctive of his goods." (internal quotes omitted) In Bach Flower Remedies, [2000] RPC 513, the Court observed that:*

*"First, use of a mark does not prove that the mark is distinctive. Increased use, of itself, does not so either. The use and increased use must be in a distinctive sense to have any materiality."*

*(Emphasis supplied) In Broadhead (1950) 67 RPC 209, the Court, following the observation of Lord Russell in the much celebrated Coca Cola of Canada v. Pepsi Cola of Canada (1942) LA 2265/2007 in CS(OS) 334/2008 page No. 14 of 20 59 RPC 127, stated: "Where you get a common denominator, you must in looking at the competing formulae pay much more regard to the parts of the formulae which are not common-although it does not flow from that that you must treat words as though the common part was not there at all."*

*From the above, it is clear to establish that a generic / descriptive term / word has attained distinctiveness / secondary meaning, the plaintiff has to establish:*

*(1) That the use of the term has become synonymous with its mark.*

*(2) The quality or characteristic would be a material factor determining the purchasing decision of significant portion of consumers. Suffice would it be to state whether the marks 'TCV' / 'TYPBAR-TCV' have attained distinctiveness / secondary meaning can only be established during trial.*

20. The Impugned Order fails to take into consideration the global reputation of the Appellant and its foreign trademark registrations already obtained in several jurisdictions. In *N.R. Dongre And Ors vs Whirlpool Corporation And Anr, (1996 PTC (16) 583*), the benchmark case for transborder reputation, it was clearly held that *"a product and its trade name transcend the physical boundaries of a geographical region and acquire a trans-border or overseas or extraterritorial reputation not only through import of goods but also by its advertisement. The knowledge and the awareness of the goods of a foreign trade and its trade mark can be available at a place where goods are not being marketed and consequently not being used. The manner in which or the source from which the knowledge has been acquired is immaterial"*. Further in *Milmet Oftho Industries & Ors vs Allergan Inc, (2004) 12 SCC 624*, the Hon'ble Supreme Court made it clear that the goods don't need to be sold in India for the reputation to transcend the geographic boundaries.

21. The Impugned Order cites three judgements:

- i. *E. Griffiths Hughes Ltd. vs Vick Chemical Co., AIR 1959 Cal 654*, where the Respondent in the present matter has culled out the finding on usage of the mark. The Hon'ble High Court goes on to state as follows: *"38. So taking into consideration these two affidavits and the other affidavits of the respondent company to which I have already made reference in an earlier part of this judgment as reliable affidavits, I hold that the Mark "Vapo Rub" has been continuously in user in India from a date prior to 25th February, 1937 and up to the date of the application of the respondent company for registration and even later than that, and this mark has acquired sufficient distinctiveness in fact, to entitle the mark to registration."* This judgment speaks for the Appellant rather than against it since the Appellant has established a global presence, is widely using the impugned mark and has placed on record various foreign trademark registrations before

us. In *Dubai Islamic Bank v. Union of India*, Judgment dated 04.12.2019 in W.P. (C) 12749/2019, it was observed that the Trademarks Office refusal order was erroneous and there was no application of mind by the Trademarks Office since the Trade Marks Office ought to have considered the numerous international registrations which are instrumental in proving distinctiveness and reputation of a trademark. Besides this, it was also observed as follows: *"Usually, the distinctive nature of a mark can be established based on the character of the mark, the extent of use of the mark, the global priority in adoption of the mark the wellknown status of the mark the advertising and promotional investment in the mark, judicial decisions upholding the distinctiveness of the mark and the localized reputation of the mark. Sometimes, the composite nature of the mark and the customer base for the mark would play an important role in granting registration. Thus, the Registrar would have to consider all these factors before rejecting a mark"*. Therefore the instant mark has acquired sufficient distinctiveness towards the Appellant owing to their spill over reputation, and extensive common law and statutory rights in the same.

ii. *United Iron And Steel Works vs Government Of India*, AIR 1967 P H 64, the Respondent appears to be referring to this case regarding the usage of the mark, the principles of usage has been enlarged by leaps and bounds in subsequent judgments and same is satisfied by the Appellant in the present matter. In *Cadbury UK Limited & Anr. vs Lotte India Corporation Ltd.*, 2014 (57) PTC 422 (Delhi), the Hon'ble Delhi High Court extended the principle of trans-border reputation by observing that the existence of a merchant on web pages which are of foreign origin and social media are sufficient to show the trans-border nature of reputation without having any activity in India at the relevant time.

iii. *Registrar Of Trade Marks vs Hamdard National Foundation*, AIR 1980 Delhi 180, the Respondent refers to the concept of derivation of secondary meaning in this case and same is satisfied by the Appellant in the present matter. The Hon'ble Delhi High Court in said case has stated as follows: (7)... *The Registrar apparently thought that if the word is descriptive it inevitably and in all circumstances means that it is not capable of distinguishing the goods of a particular trader from that of the others. But this view is not supportable in law. In every case the question is a question of fact that is to say, where evidence proves conclusively that descriptive word has lost its primary meaning, and has acquired a secondary meaning, it is a question of fact whether the registration of that mark will or will not cause confusion. The word is not merely by reason of the fact that it is a descriptive word incapable of registration. See: In the matter of an Application] & P Coats Ltd. for Registration of Trade Mark 53 R.P.C. 355 at 385. There are words which have a direct relation to the character and quality of goods which nevertheless may lose their primary meaning and acquire in a particular trade a Secondary meaning as indicating to people interested, whether as traders or as the public in trade, the goods of a particular manufacturer. When that does occur and the evidence shows that the word has attained a secondary meaning then, in my opinion, the word is registrable as a trade mark. [See : 53 R. P. C. 355 at 384 (supra)].*

(8) *It is, therefore, possible that there may be some words which though they may have reference to the character and quality of goods yet have over a course of period, become associated with the goods of a particular trader and in that sense they would certainly be capable of distinguishing the goods of a*



*particular trader and which would satisfy the test of S. 9(5) of the Act and would be entitled to be registered in Part 'B' of the register.*

- iv. *In the Matter of Applications by the Liverpool Electric Cable Company, Limited, To Register Trade Marks, (1929) 46 RPC 99, the Respondent seem to be referring to the discussion on distinctiveness in said case. In Godfrey Philips India Ltd. v/s. Girnar Food and Beverages Pvt. Ltd, 69 (1997) DLT 8, the Hon'ble Supreme Court held that a descriptive mark may be entitled to protection if it has assumed a secondary meaning which identifies it with the particular product as being originated from the particular source only. Regarding the impugned trade mark, it has acquired a secondary meaning for itself in the eyes of consumers due to prolonged usage and continuous association of the trade mark with its goods. ENERGY HYBRID is instantly associated by the consumers with the goods of MONSTER ENERGY.*
- v. *In The Matter Of An Application By Joseph Orosfeld & Sons Ln. To Register A Trade Mark, (1909) 26 RPC 37 (CA), the Respondent has referred to the same regarding use of a laudatory term, and not adapted to distinguish, and no amount of user could probably make it lose its primary meaning. The Respondent has failed to follow the Anti-Dissection rule, and has failed to consider that the term 'HYBRID' means a combination of two or more things, while, on the other hand, the word ENERGY is a singular term and hence, using the word ENERGY in front of HYBRID does not explain or describe what is being hybridized, the impugned mark thus being neither a laudatory term, nor describing the goods in any manner.*

Therefore given the above facts and circumstances, said judgements are not applicable against the Appellant in the present matter.

22. The Order of Registrar of Trade Marks, Chennai dated 07 May 2019 and the grounds of decision dated 24 January 2020 refusing Trademark Application no. 3283428 for the mark "ENERGY HYBRID" in respect of the goods under class 32 is therefore liable to be set aside.

23. Taking into consideration of the above, the Appeal is hereby allowed. Order of Registrar of Trade Marks, Chennai dated 07 May 2019 and the grounds of decision dated 24 January 2020 is set aside. Trademark Application no. 3283428 for the mark "ENERGY HYBRID" in class 32 is allowed to proceed on to advertisement in the Trade Marks Journal subject to the following conditions:

- i) The Appellant shall only use the impugned trade mark alongwith its Trade Mark Nos. 1457869, 2473447, 3264099, 3354414, 3754375, 3925110, 4302021, 4332946, 4483241, all registered in Class 32 for word and logo variants of the Appellant's house brand MONSTER, MONSTER ENERGY
- ii) The Appellant shall disclaim the use of the words ENERGY and HYBRID separately and shall only use the impugned trade mark ENERGY HYBRID as a whole

24. There is no order regarding costs.

-Sd/-

(MS. LAKSHMIDEVI SOMANATH)  
TECHNICAL MEMBER (TM)

-Sd/-

(MR. MAKYAM VIJAY KUMAR)  
TECHNICAL MEMBER (TM)

-Sd/-

(JUSTICE MANMOHAN SINGH)  
CHAIRMAN

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