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REPUBLIC OF AUSTRIA

1 R 140/19v

Vienna Higher Regional Court

In the name of the Republic

In the matter of the Complaining Party **Red Bull GmbH**, Am Brunnen 1, 5330 Fuschl am See, represented by GEISTWERT Kletzer Messner Mosing Schnider Schultes Rechtsanwälte OG in Vienna, versus the Defendant Party **Bullson Co. Ltd.**, KAIT Tower 306, Tereran-ro, Gangnam-gu, 06210 Seoul, South Korea, represented by Schwarz Schönherr Rechtsanwälte KG in Vienna, the Vienna Higher Regional Court, as the appellate court, presided over by the President of the Higher Regional Court Senate Dr Jesionek as Chairperson, with the Higher Regional Court judge Dr Annerl and *Kommerzialrat* Kwasny, has made the following decision with regard to injunctive relief (amount in dispute EUR 37,500) and publication of the judgment (amount in dispute EUR 5,700; total amount in dispute EUR 43,200) regarding the appeal of the Defendant Party against the decision of the Vienna Commercial Court [*Handelsgericht Wien*] of 12 August 2019, 57 Cg 2/18x-21, in a non-public session:

I. The appellate documents are rejected.

II. The appeal is **not** granted and the decision of the court of first instance is confirmed with the proviso that the following clause in Point 1 be omitted: "*under threat of an administrative fine / criminal fine / other coercive measure*

of up to EUR 100,000 and/or other statutory coercive measures, including administrative or coercive arrest, should the aforementioned payments not be able to be collected”.

The defendant must reimburse the claimant the amount of EUR 3,076.92 (including EUR 512.82 VAT) for the costs of the appeal proceedings.

The value of the object of the decision exceeds the total of EUR 30,000.

The ordinary appeal is not admissible.

G r o u n d s

The claimant is the proprietor of following EU trade marks:

Red Bull

UM 017363094 for, *inter alia*, energy drinks (Class 32) and “entertainment; sporting and cultural activities” (Class 41);



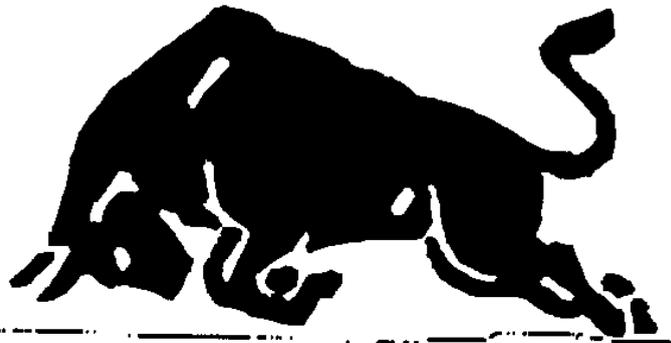
UM 017363037, for, *inter alia*, “energy drinks” (Class 32) and “entertainment; sporting and cultural activities” (Class 41);



UM 01056431 for, *inter alia*, "alcoholic drinks" (Class 32);



UM 012484441, for, *inter alia*, "entertainment; sporting and cultural activities, organising sports competitions" (Class 41);



UM 01564301 for, *inter alia*, "energy drinks" (Class 32);

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UM 0867085 for, *inter alia*, "energy drinks" (Class 32);

The claimant is the world's largest producer of energy drinks and is known worldwide as an organiser and sponsor of entertainment events, in particular in the area of sport and art/culture, and as the owner of a number of sport and motor sport teams. It uses all trade marks for both energy drinks and for sporting and cultural events and licenses these trade

marks, in particular in the automotive sector, namely for both complete vehicles and car accessories and/or car care products.

The defendant is based in South Korea and has been selling car care products in South Korea since at least 2001 and has a market share of over 90% of the car care product market. On 20 May 2011 the defendant changed its branding for its car accessories and/or car care products from the marks that it had previously used, namely



to the following signs:



The defendant engaged the firm CDR Associates AG to redesign the logo and/or branding on 11 February 2011. The defendant now trades using this trade mark,

Bullsonne

Which, according to the defendant's own claims on <https://www.youtube.com/watch?v=zY3GtV376lo>, is pronounced "Bull-s-one" in English.

According to the defendant's marketing video, the defendant is the leading manufacturer and distributor of car consumer products and car care products in South Korea, with a market share of 90%, and aims to be the world's biggest car care solutions company worldwide by 2020; part of this includes the goal of expanding to Europe and America, as implied by the red dots and light trails depicted in the following graphic:



In addition to this, the defendant has, according to the video, applied for [technical] certifications from (amongst others) TÜV Österreich to support its global expansion. The defendant now uses the sign with the red bull on products in various ways, facing both left and right, as follows:



Features

- Made with both a special synthetic polymer and a natural resin, Rain OK Spray Chain prevents your car from slipping and losing control on snowy roads in the winter.
- No damage to roads or driveways.
- For emergencies only when you already studding and can't move!
- Satisfies all the criteria of an international performance test conducted by Test World, A Finnish international testing services.

< Test results >

With Rain OK Spray Chain
Number of tests

Country of Snow Finland
Performance proven by Test World, an international testing services.

TUV AUSTRIA
CERTIFIED PRODUCT
RECOGNIZED BY THE AUSTRIAN STATE

Anti-Slip Protective Film
Made With High-Performance Synthetic Polymers

RainOK SPRAY CHAIN

Directions for Use

1. Shake well before use.
2. Spray this liquid tire chain directly onto the tyre tread uniformly.
3. The liquid sticks to the tyres and let harden for 3 to 5 minutes.
4. Turn the steering wheel left to right gently, and start off slowly.
5. After use, hold the container upside down and press the nozzle for two to three seconds. Necessary to keep the nozzle unclogged.

Cautions

- Keep out of reach of children.
- Keep away from heat, sparks and open flames.
- Skin-wash with soap and water after use.
- If swallowed do not induce vomiting. Call a physician immediately.
- Combustible. Keep away from heat, sparks and open flames.
- Do not store in temperatures below 0 °C (32°F) or above 40 °C (105°F).
- The product will not be effective at speeds higher than 30km/h.
- Temporary treatment only. Use snow chains in heavy snowfalls or on the icy roads.

Advertising its TÜV Österreich [technical] certifications, the defendant also marketed its products for use in Austria as follows:

By email of 21 August 2017, Javier Kim, the defendant's global head of distribution provided the following response to an enquiry as to whether its "spray chain" product was for sale in Austria or the EU.

"Regarding enquiry: RainOK SPRAY CHAIN for Austria.

Hello XXX,

My name is Javier Kenny Kim, head of the global distribution division of Bullstone.

For small order volumes of RainOK SPRAY CHAIN we can place English stickers over the Korean packaging. We can also consider preparing a German language version. For this to be an option, we would need an order of at least 4,200 units.

My company email address is javier@bullsone.com."

In subsequent correspondence, Javier Kim wrote the following, attaching a product description for the "SPRAY CHAIN" product, as well as the Product Index for August 2017:

"Hello XXX,

Please find attached information on "Spray Chain". For information on our product range, I have also attached the

Product Index.

We, Bullstone, as the headquarters and parent company of the Bullstone Group, are the largest car care product brand in Korea and we are a very well-known brand. Our main markets are Asia, the Middle East, and North and Latin America. On the European market, we are presently only selling our "Balanceseats" in the health sector. However, we participated in Automechanika in Germany (in 2014) and Automec in France (in 2015).

While we are manufacturers, we also carry out marketing and sales activities and are therefore very interested in maintaining our brands. Unfortunately, the European customers we met in 2015 and 2016 only wanted to sell our products under their brands. Due to our company policy, we had to turn down these proposals, however we are now willing to negotiate a co-branding strategy with European customers.

Please take a look at the attached Product Index and let me know what categories you would be interested in so that I can prepare a quotation.

Javier Kim"

By invoice dated 26 December 2017, the defendant invoiced a batch of car care products bearing the defendant's mark (a red bull against a yellow shield) that were delivered to the petrol station chain Coral S.A. in Greece.

After the defendant registered or applied for the registration of 14 trade marks in Germany, in particular with regard to



and

Bullstone

and Bullstone Balanceseat and Bullstone Vetagel in Germany,

the defendant was banned, by preliminary injunction of the Hamburg District Court of 18 January 2017, from using these marks to designate the products listed in the injunction in trading in Germany, including by attaching them to the products, trading in products under these brands, placing them on the market or having such products in its possession, importing or exporting them and from using these marks on its business papers or in its advertising or to have any of these actions carried out by third parties.

The claimant has borne the Red Bull GmbH company name since 1987 and, starting with Austria, launched the worldwide energy drink product category. With a market share of approximately 60%, it is the world's biggest energy drink manufacturer. In 2016, the claimant sold 2.054 billion drink units of energy drink and Red Bull Cola. The claimant's energy drink is sold in 172 countries around the world under the RED BULL sign and using the bull as follows:





The claimant's activities involve organising and participating in sporting, entertainment and cultural events in multiple European countries. All events were developed and/or initiated by the claimant and are then carried out and organised - under the claimant's strict instructions regarding the realisation of the individual events - by subsidiaries wholly owned by the claimant in the respective country.

Since 2015, the claimant's group has also organised 74 sporting events in Germany, 9 in Spain, 173 in Italy, 51 in Poland, 17 in Sweden and 72 in the United Kingdom. It held 102 sporting events worldwide per year. In Austria the claimant's group has organised several sporting and cultural events since 2015.

The claimant uses all the Red Bull marks at issue in the present case both for energy drinks and for the sporting and cultural events, and they are also known to the public for these goods, services and events. At sporting events, the coloured bulls, including a single bull, are usually used; occasionally, and also at cultural events, the single black bull is used as a mark. The single bull is used as a mark on can labels and on the stay-on tab, the can opener.

The relevant public addressed through the events is aware that the claimant or its subsidiaries not only promote their energy drink at the Red Bull events, but that the claimant's group, as the organiser, also initiated these sports or event series. In addition, the claimant owns a fleet of about 130 event vehicles that are branded with the Red Bull marks.

During the Formula One, the claimant uses the marks at issue in the present case - in particular, the red bull (in

front of a yellow sun) - on the vehicles, inventory, merchandise, communication media, racewear and clothing. Red Bull marks are also regularly applied to a number of helmets of the Formula One team and other racing teams.

The claimant also offers accessories for vehicles, e.g. can holders and fan merchandise for hanging up, that bear the marks at issue in the present case, all of which are promoted by the claimant and also sold in the RED BULL shop. Merchandise related to the Red Bull event series is promoted and sold in the Red Bull event fan shop at <https://www.redbullshop.com/>. The online store generates annual sales of around EUR 2 million through merchandise branded with the marks at issue in the present case. Energy drinks and merchandise such as can holders, toy aeroplanes and toy cars are also offered and sold at filling stations.

All Red Bull events are promoted worldwide by the claimant by means of poster campaigns, TV, posters, leaflets and online, they are broadcast on television, covered by the media, and they generate significant sales - on the one hand, from income resulting from ticket sales, participation fees and partner contracts (sponsorship), and on the other hand, from the exploitation of audio-/visual recordings produced by or on behalf of the claimant, e.g. in the RED BULL catalogue.

Further, the Red Bull Group uses the claimant's Red Bull marks and licenses them for other car accessories and/or car care products (under licence) to represent the Red Bull marks. For example, the car care manufacturer SONAX was granted a licence via WHS and Red Bull Racing Ltd. allowing it to use the RED BULL marks for the marketing of car care, car cleaning and car polishing products per International Agreement of 12 December 2013:



GET YOUR HANDS ON SOME RED BULL RACING GEAR!
Enter to win a SONAX Red Bull Racing Pack – \$175.00 value

Includes a Red Bull Racing messenger bag, Red Bull Racing hat, SONAX Liquid Wax, SONAX Red Survivor Car Wash and SONAX Red Summer Windscreen. Winner announced August 30, 2013. Must "Like" the Sonax USA Facebook to enter. Share with 1 friend and get a second entry.

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NEU

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GET YOUR HANDS ON SOME RED BULL RACING GEAR!
Enter to win a SONAX Red Bull Racing Pack – \$125.00 value
Winner announced March 31, 2013

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OFFICIAL TEAM CARE

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In an agreement dated 3 February 2012, IPONE, a producer of motorcycle care products, was granted a licence by the claimant to use the Red Bull marks for motor(cycle) care products:



In an agreement dated 8 September 2011, Red Bull Racing Ltd. granted the Renault Nissan Group the licence for the Red Bull marks for a "Limited Edition Car". The Red Bull marks in the form of the two bulls in front of the sun, also in a colour version, were applied to the Renault Megane R.S. Red Bull Racing RB8, built in 2013, on the front, the rear, the

side and in the interior (door entry, floor mats) as a Red Bull special edition.

The tool manufacturer Wera Werk produced a Red Bull tool series, designed especially for work on cars, that bore the Red Bull marks throughout and was sold under the "Tools" menu item at the Red Bull Shop <https://www.redbullshop.com/de/c/rb-racing/tools/>, among others.

The tool manufacturer Snap-On UK Holdings Ltd. marked a series of professional tool cabinets with wheels specially created for car repair shops with the Red Bull marks.

According to a GFK study on the notoriety/reputation of the



in relation to energy drinks in Austria of December 2006, this sign element had a 52% level of distinctiveness in the general population and 81% among the users/drinkers of energy drinks in Austria, and was attributed to Red Bull by 47% in the general population and 76% in the closer relevant public spontaneously and without prompting.

The **claimant** requests

1. that the defendant be prohibited from using the following marks in commercial activities without the claimant's permission, with effect for the entire European Union, excluding Germany, with an administrative fine / criminal fine / other coercive measures of up to EUR 100,000 and/or other statutory coercive measures, including administrative or coercive arrest should the aforementioned payments not be able to be collected, per breach,

- a) the mark



and/or



and/or similar marks for car accessory and/or car care products where this makes unconscionable use of the distinctive character or repute of the claimant's EU trade marks which are known for energy drinks and entertainment services and/or cultural and sporting activities, including in particular UM 017363037, UM 01056431, UM 012484441 and/or UM 01564301

and/or

b) the mark

Bullsonne

and/or similar marks for car accessory and/or car care products where this makes unconscionable use of the distinctive character or repute of the claimant's EU trade marks which are known for energy drinks and entertainment services and/or cultural and sporting activities, including in particular UM 017363094 and/or UM/IR 8670859, where the use by the defendant makes unconscionable or legally unjustified use or limits these trade marks, in particular by making use of these aforementioned brands to market car accessory and/or car care products within the European Union

and/or by using these brands as a trading name or company name or as part of a trading name or company name in the European Union and/or using these brands in industry magazines or in advertising in the European Union and/or by having such actions carried out by third parties on the defendant's behalf; as well as

2. the authorisation to publish the (specific) decision in the editorial section of the "Neue Kronen Zeitung" newspaper's Saturday edition.

[The claimant claims that] the defendant has infringed on the claimant's EU trade mark rights under Art 9(2)(c) of the EU Trade Mark Regulation in Austria and also in the entire European Union. [The claimant claims that] it is unthinkable that the defendant could have been unaware of the well-known Red Bull marks at the time of creating its marks. [The claimant claims that] because its marks are well known, there does not need to be a risk of confusion in the formal sense, but that for the purposes of establishing a breach of Art 9(2)(c) of the EU Trade Mark Regulation, it is sufficient that unfair advantage be taken or there be a detrimental effect on its well-known mark. The claimant has not acquiesced in the defendant's use.

The **defendant** contested. [The defendant claims that] this is not a case in which there is a risk of confusion with, use of the reputation of, degradation of or dilution of a well-known trade mark. [The defendant argues that] nobody associates Bullone with Red Bull or with the defendant's [sic] products. [The defendant argues that] the claimant is familiar with the defendant and has not objected to Bullone's use for over 20 years and that the claimant must therefore be deemed to have acquiesced in the use of this brand, leading to the lapsing of any claims. [The defendant claims that] the marks UM 01056431 and 01564301 should be

revoked due to non-use; the bulls are protected for individual use, but the claimant does not use individual bulls. [The defendant argues that] the mark UM 12484441 is not relevant to the case at hand, as it protects pharmaceutical preparations, tobacco products and training services, which have nothing to do with the case at hand. [The defendant argues that] the use of the individual bulls on cans is not a use for the purposes of trade mark law, as this is part of the opening mechanism; if anything, it is merely an embellishment that is not viewed as a trade mark by consumers. [The defendant argues that] the individual types of use for cars do not constitute use for energy drinks, as a result of which it cannot be deemed a use that justifies the maintenance of trade mark rights. [The defendant argues that] the claimant does not have any trade mark rights in relation to car care products, as the reputation in relation to energy drinks is not transferable to car care products.

The **court of first instance** found against the defendant. It established the facts of the case, as partially presented in the opening, and affirmed the claim for injunctive relief in accordance with Art 9(2)(c) of the European Union Trade Mark Regulation. [It stated that] a certain level of recognition is required within the relevant public in a significant part of the European Union; not, however, likelihood of confusion. The prerequisite for an injunction based on this provision is that the third party, by affixing the mark, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the mark and that the third party has not provided a justifiable reason for the affixing in this case. [The court stated that] the claimant uses all marks at issue in the present case as distinctive signs, and these marks are also well known in the motor sport industry.

The relevant public would associate them with the claimant as the organiser of these activities and link them with one another (image transfer). [The court stated that] the claimant's marks and the infringing marks are highly similar or are highly similar in terms of lettering, image, sound and concept. By using these signs, the defendant also consciously exploits the power of attraction of the claimant's well-known marks. The fact that the defendant deliberately uses a red bull constitutes a conscious exploitation of the repute and distinctive character of the claimant's marks. In the present case, by using the infringing marks in the European market, the defendant exploits the fact that there is an interplay of value concepts between the claimant's products, in particular in the motor sport industry, since the successes and notoriety of the claimant's marks in the area of cultural and sporting activities increases the market success of the claimant's products. Through considerable marketing expenditure in the area of sports activities, the claimant has created a positive brand image, and the defendant, by using the almost identical infringing signs, exploits the high level of recognition of the claimant's marks in order to also attract interest to its own products in the European Union. From this alone it follows that, within the meaning of the principles of case-law set out above, the distinctive character of the claimant's well-known marks is being unfairly exploited.

The defendant's **appeal** opposes this, on the grounds of procedural deficiency, incorrect ascertainment of facts due to incorrect evaluation of evidence and incorrect legal

assessment, by requesting that the court change the decision to the effect that the case be dismissed.

The claimant requests that the appeal not be granted.

The appeal is **not justified**.

Ad I:

The presentation of documents by the defendant in the appellate proceedings is excluded by the prohibition of the introduction of new evidence, for which reason it was to be rejected as inadmissible.

Ad II:

1. Irregularity in the proceedings

1.1 Citing irregularity in the proceedings, the appellant objects to the use of screenshots depicted in the complaint and the use of emails mentioned in the complaint for the findings made. These screenshots and emails were not presented as evidence at the hearing, but were only included/depicted as an image in the complaint. No evidence was collected in this regard, meaning that the screenshots and emails should be classified as a mere - unproven - assertion.

1.2 This does not establish irregularity in the proceedings. The court must include the findings from the entire hearing in its evaluation of the evidence, in particular the submission by the persons involved in the case (Rechberger in *Fasching/Konecny*³ III/1 Sec 272 Austrian Code of Civil Procedure [*Zivilprozessordnung - ZPO*] Recital 6). The conclusions drawn are examined as to their correctness within the scope of the grounds of appeal of incorrect ascertainment of facts due to incorrect evaluation of evidence.

1.3 In addition, the relevant findings are based on a submission of the claimant that was not disputed by the defendant (cf. RS0040091). The claimant comprehensively put forth how the defendant is penetrating the European market with its car accessory and/or car care products; in particular, that it offered and advertised its products for Austria and the entire European Union using the incriminated signs (Complaint, page 3 [section 1.4.], pages 19 et seqq. [section 3.]). This argument not only remained undisputed, but the defendant responded to another argument of the claimant that stated that the defendant had begun using the marks in question in the EU on 21 August 2017, so that it could not be asserted that use of the incriminated signs had begun earlier in the EU (ON 20, page 3). Shortly before the end of the first instance oral hearing, the defendant made a general assertion that there is no proof of an infringing act by the defendant in the EU (ON 20, page 13), without however further substantiating this, even after being referred to the (in this regard) hitherto undisputed content of the complaint (ON 20, page 14).

A formal denial can be deemed an admission if a concrete counterargument can be expected (RS 0039977); in particular, if - as is the case here - a party merely contests individual factual claims of the opponent with a concrete counterargument without however stating its position on the content of the others (RS0039927 [T12]), even though it could easily do so.

Thus, if the court of first instance regarded as conceded (cf. original judgment, page 26) that the claimant began using the marks in question in the EU by offering them for sale in Austria on 21 August 2017, this is unobjectionable. Conceded facts are to be used *ipso jure* as a basis for the decision (RS0040110), meaning there is no irregularity in this case.

2. Incorrect ascertainment of facts due to incorrect evaluation of evidence

2.1.1 The defendant contests the findings that the claimant is the proprietor of numerous motor sport teams, that it organised the Formula 1 Grand Prix in Austria and operates in the field of motor sport, as well as that all Red Bull marks at issue are used *by the claimant* as distinctive signs both for energy drinks and for all sporting and cultural events. [The defendant claims that] these findings are incorrect because the claimant itself does not own any motor sport teams nor does it operate in the motor sport industry.

The defendant requests that this finding be omitted and that, instead, the court find that the claimant does not operate in the motor sport industry and does not organise the Red Bull Air Race, etc. [It also claims that] the court should have found that the claimant does not own a motor sport team, let alone a Formula 1 team.

[It argues that] the reason that the court of first instance's evaluation of evidence is incorrect is that, according to the witness Spahni, other companies are responsible for the above. [It claims that] the claimant also does not license marks related to motor sports; such licences are granted by Red Bull Racing Limited.

2.1.2 Where the omission of individual findings is requested in the appeal, the objection to evidence has not been substantiated as required by law (RS0041835 [T3]).

2.1.3 For the rest, the objection to evidence does not satisfy the court. The witness Spahni expressly stated that the claimant is the owner of numerous motor sport teams (ON, page 6) and that it has initiated and organised motor sport events (ON 20, page 7). He also confirmed that the relevant information provided in the complaint - in particular regarding the field of motor sport - and in the claimant's preparatory written statement of the case (ON 11) is correct in that the events are organised by the claimant and the individual events in the countries are then organised and carried out by subsidiaries (ON 20, page 8). This does not, however, lead to the conclusion that the claimant does not generally operate in the field of motor and aviation sports, or that its activities are limited to other sports, which the requested alternative findings aim for. Therefore, with such a generalised portrayal that does not take into account the statements of the witness Spahni, the claimant's *[sic]* objection to evidence does not succeed in raising doubts as to the accuracy of the findings made by the court of first instance.

Moreover, where the defendant deems incorrect the finding that all motor sport events were carried out and organised by the claimant or by wholly owned subsidiaries of the claimant in the respective countries, and claims that there is no result of evidence in this regard, this finding is easily substantiated by the abovementioned statements of the witness Spahni.

Why the statement of an employee of the claimant should not be a suitable basis for this finding is incomprehensible. The exact corporate structures are not relevant in this case, but only that the events are predominantly organised (also) by the claimant, that the claimant operates in this way in the motor sport industry, and that the EU trade marks are also used in this form in the motor sport industry.

2.2 Where the defendant also alleges that the claimant does not license any marks related to motor sport and refers to ./K and ./N in this regard, this is not to be accepted. In actual fact, the defendant did not substantiate its denial of the claimant's argument and, in particular, did not put forth that the claimant's marks were used in the field of motor sport without its action and without its permission. Although the documents presented show that other persons gave permission for the use of the relevant marks to the companies listed therein, it cannot, contrary to the defendant's opinion, be derived from this that the claimant itself did not give its consent or that the claimant, as the proprietor of the mark, itself needed a licence. The statements submitted by the claimant make it clear that the claimant's group used the marks at issue with its permission, meaning that the claimant licensed (at any rate, indirectly) its trade mark rights in the motor sport industry.

2.3 It is not clear why the statements in the appeal under section "1.4. Sidestep - Formula 1" are relevant. The court of first instance did not establish that the claimant organises the Formula 1. Moreover, the request for the complete deletion of findings does not constitute a lawfully substantiated objection to evidence (RS0041835 [T3]).

2.4.1 Further, the defendant contests the court of first instance's findings according to which it can be assumed, based on various screenshots, that the defendant is expanding into Europe and America.

It requests, in addition to the omission of the finding, that the court find that it cannot be assumed that it has already performed an infringing act or that there is a threat thereof.

[The defendant claims that] the screenshots were not submitted as evidence and should therefore not have been used by the court of first instance. [It argues that] he screenshots are not suitable for justifying the contested finding.

2.4.2 The objection to evidence has not been substantiated as required by law for the simple reason that the substantial findings including the screenshot are based on the conceded argument of the claimant (section 1.3 above). In addition, reference is made to the treatment of the objection to irregularity in the proceedings (section 1. above) with regard to the admissibility of the use of the screenshots. Based on that, the objection to evidence does not satisfy the court, as only the screenshots are depicted and conclusions drawn therefrom. Why these screenshots should not depict reality is not clear, nor does the defendant explain it. Moreover, regarding the screenshot of the marketing video, the content of the marketing video is presented in the context of the findings according to which the defendant aims to become the worldwide number 1 by 2020. The trails of light emanating from the defendant's logo and leading to Europe and America, as shown in the screenshot, in conjunction with this uncontested statement made in the video, can by all means lead to the conclusion that the defendant intends to expand to Europe.

2.4.3 Where the defendant claims that, had the screenshots been presented as evidence, it would have submitted another argument with regard to the screenshots of the packaging, it [the defendant] violates the prohibition of the introduction of new evidence. This argument does not, however, contradict the finding made either, as it only illustrates the use of the sign featuring the red bull on products, but does not claim or establish the use of these specific products in Austria or in the EU. According to the claimant's conceded argument, the defendant is penetrating the European market with its car accessory and/or car care products and has offered its products for sale in Austria with a different graphic presentation for Austria and/or the entire European Union.

2.5.1 The defendant contests the findings regarding the email correspondence of 21 August 2017 and requests the omission of these findings; rather, the court of first instance should have come to the conclusion that the alleged infringing act were not proven on the grounds that the emails had not been submitted.

2.5.2 Here too, the objection to evidence, insofar as the omission of findings is requested, has not been substantiated as required by law (RS0041835 [T3]). For the rest, the objection to evidence does not raise any doubts about the content of the email correspondence, as it concerns facts conceded by the defendant (section 1.3 above). The appeal does not explain why this email correspondence should have been incorrectly presented. In particular, the mere reference to the "possibility" that the email correspondence is not factually correct does not suffice to raise doubts about the content of the email correspondence on which the decision was based.

2.6.1 In addition, the defendant contests the following finding:

"By invoice dated 26 December 2017, the defendant invoiced a batch of car care products bearing the defendant's mark (a red bull against a yellow shield) that were delivered to the filling station chain Coral S.A. in Greece."

Rather, the defendant requests the following alternative findings:

"Annex ./J only verifies that the company Bullsone delivered goods to Greece. The goods were delivered to the company Coral S.A. This company has its registered office in the European Union. The individual products that were delivered are listed in Annex ./J. It is not evident what the purpose of use of these products is. One item of each product was delivered. Based on a realistic view, it can therefore be assumed that this was a "trial purchase". It is likely that the company Coral S.A. wanted to test the Bullsone products and ordered one package of each product. The individual products do not bear the Bullsone mark. Similarly, it cannot be determined that the individual products bear a red bull in front of a yellow shield. The products were imported into Greece. It cannot be determined that these products were also delivered to Austria."

The contested finding that the Bullsone sign is only used as part of the company mark and not for labelling goods and/or services cannot be deduced from ./J.

2.6.2 Although the defendant correctly described the content of ./J, it does not suffice to weaken the further conclusions drawn by the court of first instance. Again, reference is made to the fact that the defendant did not substantially deny its use of the incriminated signs in the EU from 21 August 2017 (cf. section 1.3 above). Similarly, according to the clear content of ./J, the defendant presents itself under the incriminated signs in its business transactions (on this business stationery). Where the court of first instance therefore assumed - in conjunction with the statements made in the marketing video, the ascertained use of the sign on its products, and the offering of its products for sale in Austria - that it invoiced/supplied car care products in Greece under the defendant's sign (red bull in front of yellow shield), this is not in need of correction.

2.7.1 Finally, the defendant contests the following finding:

"The claimant uses all the Red Bull marks at issue in the present case both for energy drinks and for all sporting and cultural events, and they are also known to the public for the goods, services and events for which they are used."

[The defendant claims that] this finding must be omitted, as it cannot be ascertained that the marks at issue are well known. The presented expert opinion ./G cannot be drawn on for the determination of notoriety due to incorrect questioning.

2.7.2 The assertion of the appeal on the grounds of incorrect evaluation of evidence requires a specific indication of which evidence the judge of first instance assessed incorrectly, which considerations point to this, and which facts should have been ascertained had the evidence been correctly evaluated (RS0041835). Apart from the fact that the appeal does not request concrete alternatives to the contested findings, but rather, inadmissibly, their complete deletion, the court of first instance based the contested finding exclusively on the statement of the witness Spahni (original judgment, page 26) and not on the "statements of the claimant" (appeal, page 24) nor on the expert opinion ./G (appeal, pages 25 et seqq). The defendant does not focus on the evidence assessed by the court of first instance, but rather only on such evidence which the court of first instance did not consider. Even if one were to deem the objection to evidence as substantiated as required by law, it would further not suffice to raise doubts against the concrete evaluation of evidence of the court of first instance, as it does not even deal with it. Therefore, the objection to evidence does not satisfy the court in this regard either. The appellate court accepts the first instance findings as the result of faultless proceedings and an unobjectionable evaluation of evidence and bases its further evaluation on them (Sec 498(1) Austrian Code of Civil Procedure).

3. Following from this, the objection to the substantive law applied also fails. First, reference can be made to the statements of the court of first instance (Sec 500a Austrian Code of Civil Procedure). The following must be added:

3.1 Pursuant to Art 9(2)(c) of the European Union Trade Mark Regulation, the proprietor of a European Union trade mark has the right to prevent third parties from using, in the course of trade, without its consent, a sign for goods or services if the sign is identical with, or similar to, the EU trade mark, irrespective of whether it is used in relation to goods or services which are identical with, similar to or not similar to those for which the EU trade mark is registered, where the latter has a reputation in the Union and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the EU trade mark. Therefore, the claim for injunction asserted by the claimant presupposes, in addition to an infringement of trade mark law through use of identical or similar signs, the notoriety of the registered trade mark in the EU and unfair nature of the infringing act.

3.1.1.1 The threat of infringement consists in the defendant's (imminent) use of a sign that is, at least, similar to the registered Union trade marks in the European Union. These conditions are fulfilled in the case at hand. According to the relevant facts of the case (insofar as they were conceded), the defendant forced its way into the European market with products marked with the incriminated signs and began using the signs at issue in the EU on 21 August 2017 by offering products bearing those marks.

This, however, also concedes the actual infringement. A more detailed examination of the extensive statements presented in the appeal as to why individual circumstances should not constitute an infringement is therefore not necessary. According to the marketing video, the defendant wishes to expand into the European market and offered its products in Austria. In this way, the defendant also comprehensively prepared its distribution of such products in the European Union - and thus also Austria. Where the defendant derives from this merely the threat of an infringement in Europe, this suffices for an injunction in any case (Art 130(1) European Union Trade Mark Regulation).

3.1.1.2 Contrary to the statements presented in the appeal, the request for injunction under trade mark law is directed against the use of the EU trade mark to mark certain products, not (directly) against its use as part of the company name. Such use as a trade mark has been established, as the defendant offered products under the contested mark. Where the appeal presupposes otherwise, this is not substantiated as required by law. The supplementary wording included in the decision - "used these signs as trade names or company names or as part of a trade name or company name in the European Union" - is to be understood to mean that the mark may not be used as part of the company name if (but only in this instance) it is used to mark products. Thus the court of first instance's decision corresponds with the relevant case-law of the ECJ (C-17/06, Céline) and the [Austrian] Supreme Court of Justice (4 Ob 157/14x; 4 Ob 223/12s). The only protection the trade mark would not have is against use merely as part of the company name, which is not part of the request.

3.1.1.3 The incriminated signs are also similar to the registered EU trade marks. The protection of the well-known mark does not presuppose a likelihood of confusion (RS0120364), meaning that the defendant's arguments based on that are undermined. Of course, this requires a level of similarity that would cause the public to associate the signs with each other (ECJ C-408/01, *Adidas*; C-487/07, *L'Oréal*). This is true in the case of the figurative mark, not only due to the depiction of a bull as a motif, but in particular due to the same colour (red colour) and the visual representation (leaping stance). The incriminated lettering is also highly similar to the protected word-figurative mark, as - in addition to the same colour (red) - it contains the word "bull", which creates a strong association with the protected mark (the bull) in terms of phonetics, visual appearance and meaning. The fact that it is only a single word cannot diffuse this similarity, particularly as the word "Bull" has an identifying significance in both signs. The average person therefore associates all incriminated signs with the claimant's registered EU trade marks.

3.1.2.1 To benefit from the special protection under Art 9(2)(c) European Union Trade Mark Regulation, a mark must be known to a large part of the public (RS0118988; ECJ C-375/97, *General Motors*, Recital 28). The reference value when assessing the reputation is not necessarily the general public, but rather the relevant sectors of the public specifically affected by the trade mark (17 Ob 27/11m; ECJ C-375/97, *General Motors*, Recital 26).

Fixed percentages are not decisive in this case. Rather, all relevant circumstances of the specific case must be taken into account, in particular the trade mark's market share, the duration, extent and geographical area of use of the mark; and the scale and scope of investment the company made in promoting the mark (17 Ob 28/08d; ECJ C-375/97, *General Motors*, Recital 29). This condition is undoubtedly fulfilled in accordance with the established facts of the case and the undisputed arguments.

3.1.2.2 In order to enjoy cross-sector protection as a well-known mark, it suffices for the mark to be known to a large part of the public that is affected by the goods or services covered by this mark (4 Ob 110/13z; 17 Ob 4/09a). It is therefore not necessary for the proprietor to have used the well-known mark as a trade mark for those goods or services for which the infringing mark is used. The defendant merely objected in first instance to the reputation aside from energy drinks (ON 9, page 5) and, in fact, expressly agreed with the reputation with regard to energy drinks (ON 2, page 2). For this reason alone, the EU trade marks that are well known in this regard enjoy cross-sector protection. Beyond that, the established facts of the case also substantiate the reputation in the area of (sporting and cultural) events, as the trade marks - indirectly, at any rate - are also used and promoted in this field in the European Union and have therefore also acquired a corresponding reputation.

3.1.3.1 Finally, the protection of the well-known mark presupposes that the use of the sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the EU trade mark; hence, there

must be specific circumstances that substantiate the unfairness (4 Ob 122/05b; 4 Ob 234/01t). This may come into consideration in case of unfair detriment to, or exploitation of, the distinctive character or repute (RS0118990; RS0115930). Although the mere existence of a mental association does not suffice for this purpose (17 Ob 27/11m), it is reasonable, when an identical or similar sign is used, to suspect unfair motives due to the obvious possibility in the case of well-known marks that their reputation can be exploited (RS0120365). According to the case-law of the ECJ (ECJ C-487/07, *L'Oréal*, Recital 49), this applies in particular when a third party attempts, "through the use of a sign similar to a mark with a reputation, to ride on the coattails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark".

3.1.3.2 Such "free-riding" (ECJ C-323/09, *Interflora*, Recital 74) is to be affirmed here. The defendant is not able to provide evidence of any fair motives it may have had to take over the claimant's well-known EU trade mark. It may well be that the defendant already commissioned the design of the sign in 2011, however this was shortly after the claimant became active in the Korean market (original judgment, page 8). By using the incriminated sign, it partakes of the level of recognition of the well-known EU trade marks and increases its own turnover by virtue of the inadmissibly created

attention. It is therefore obvious that the defendant is riding on the coat-tails of the protected marks in order to benefit from their repute.

3.2.1 The defendant contests the claimant's right of action on the grounds that the claimant does not operate in the motor sport industry and that it can therefore not invoke the reputation of the EU trade marks in the motor sport industry. In this respect, [the defendant claims that] there are no registered trade marks.

3.2.2 With that, the defendant does not proceed on the basis of the established facts of the case according to which the marks are in fact used in the motor sport industry. The claimant does also operate in this field, owing to the events organised by it. The fact that they are organised and carried out by its subsidiaries is irrelevant. Why the claimant, who is the undisputed proprietor of the trade mark rights in question, should require a licence from other companies is incomprehensible. It may also well be that the ordinary licensee's right of action requires the consent of the trade mark proprietor. But why the claimant, as the trade mark proprietor, should require such consent (from itself?) is not explained in the statements presented in the appeal. For the rest, reference is made to the fact that the well-known mark enjoys cross-sector protection, hence regardless of whether the incriminated signs are used for goods or services that are identical or similar or dissimilar to those for which the EU trade mark is registered (Art 9(2)(c) European Union Trade Mark Regulation). The claimant's right of action is based on the fact that it has registered trademarks, regardless of whether they are registered for car accessories or whether they are used or are well known in this field.

The infringement of non-registered marks within the meaning of Sec 9(3) of the Austrian Unfair Competition Act is therefore irrelevant.

3.2.1 With regard to the publication of the judgment, the defendant claims in the appeal that infringing acts were not determined and/or that these were limited to a single "internal" email, meaning that there was no publicity impact.

3.2.2 With that, the defendant does not however proceed on the basis of the established facts of the case according to which it [the defendant] began using the incriminated signs in the EU (and hence also in Austria) in August 2017, which was after all part of its publicly promoted expansion to Europe. Neither did the defendant contest in first instance the publicity necessary for publication of the judgment. The email described in the appeal as "internal" concretely illustrates such an infringing act with an external impact.

The justification of the request for publication of the judgment depends on whether there is a legitimate interest in informing the public to the requested extent (RS0079737). The purpose of the publication of the judgment is to inform [the public] of the infringement and to give the relevant public the opportunity to obtain the necessary information in order to be protected from detrimental effects (RS0121963). The regulation on the publication of judgments is based on the idea that it is often in the interest of the general public to publicly reveal unfair competitive acts and to inform the relevant public of the actual facts. Therefore, the purpose of the publication of the judgment is primarily to inform the public and to counteract the dissemination of false opinions (RS0079820).

The publication of the judgment ordered by the court of first instance satisfies these principles. The appeal does not establish an incorrect legal assessment.

4. It is not permissible to threaten certain fines and prison sentences in order to enforce unacceptable acts, acquiescence or omissions (with regard to injunctions: RS0004429). In any case, such threats of a penalty do not have legal force and are thus not binding, but rather have no legal relevance (cf. RS0004775; RS0004791). Therefore, the court had to add a proviso to its confirmation of the court of first instance's decision.

5. The decision regarding costs follows from Sec 41 and Sec 50(1) Austrian Code of Civil Procedure. The rates resulting from the calculations prescribed in the scale of charges are to be rounded up or down in 10-cent steps (Sec 1(1) Austrian Lawyers' Fees Act [*Rechtsanwaltstarifgesetz - RATG*]). Thus, in accordance with the rates, EUR 1,024.80 net are payable for the reply to the appeal. Moreover, "in light of the 70-page appeal", the claimant's counsel requested, in accordance with Sec 21(1) Austrian Lawyers' Fees Act, a 100% surcharge in addition to the rates set out in the Austrian Lawyers' Fees act for their reply to the appeal. The prerequisite for this surcharge is that the lawyer's work significantly exceeded the average in scope or nature. In case of a reply to an appeal, however, this is not true merely on the basis of a more extensive appeal, especially as the appeal's scope is also due to the fact that identical statements were made on different grounds of appeal.

6. The value of the object of the decision follows the claimant's valuation of the requests (to be added up).

The appellate court based its assessment of the case at hand on the case-law of the highest courts, hence there is no substantial issue of law within the meaning of Sec 502(1) Austrian Code of Civil Procedure.

Vienna Higher Regional Court
1011 Vienna, Schmerlingplatz 11
Section 1, on 28 July 2020

Dr Regine Jesionek

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