



Neutral Citation Number: [2020] EWHC 1633 (Ch)

Case No: CH-2019-000335

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
APPEALS (ChD)

On appeal from the UK Trade Mark Registry
Opposition Decision No O/691/19 of Ms Judi Pike (for the Registrar) dated 13 November
2019

In the Matter of UK Designation of International Registration No. 1398464 NOSECCO
Label in Class 32 in the name of Les Grands Chais de France

And Opposition thereto No. 413693

Rolls Building, Royal Courts of Justice
Fetter Lane, London EC4A 1NL

Date: 24 June 2020

Before :

MR JUSTICE NUGEE

Between :

Les Grands Chais de France SAS

Applicant and
Appellant

- and -

Consorzio di Tutela della Denominazione di Origine
Controllata Prosecco

Opponent and
Respondent

Denise McFarland (instructed by **Gowling WLG (UK) LLP) for the **Appellant****

Fiona Clark (instructed by **Bird & Bird LLP) for the **Respondent****

Hearing date: 5 June 2020

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

Covid-19 Protocol: this judgment was handed down by the Judge remotely by circulation to the parties' representatives by email and release to BAILII. The date and time for hand-down is deemed to be at 10 am on Wednesday 24 June 2020.

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MR JUSTICE NUGEE

Mr Justice Nugee:

Introduction

1. This appeal concerns non-alcoholic sparkling wine which is marketed by Les Grands Chais de France SAS (“**the Appellant**”), under the name “Nosecco”.
2. On 10 January 2018 the Appellant requested protection in the UK for the international trade mark registration shown below (number 1398464), claiming a French priority date of 22 November 2017:



Class 32: Non-alcoholic wines; non-alcoholic sparkling wines.

3. The request for protection of the international registration was accepted and it was published in the *Trade Marks Journal* for opposition purposes on 8 June 2018.
4. On 10 September 2018, the Respondent, the Consorzio di Tutela della Denominazione di Origine Controllata Prosecco (“**the Consorzio**”) opposed the application under s. 3(3)(b), s. 3(4), s. 3(6) and s. 5(4)(a) of the Trade Marks Act 1994 (“**TMA 1994**”). The Consorzio, as its name suggests, is an association established to protect (and promote) the use of the name Prosecco, which is a protected designation of origin (“**PDO**”).
5. The opposition proceedings were heard by Ms Judi Pike, a Hearing Officer, on behalf of the Registrar and she handed down a written decision dated 13 November 2019 (“**the Decision**”) in which she upheld the Consorzio’s opposition on two grounds, namely s. 3(4) and s. 3(3)(b) TMA 1994. I give the detail of the legislation below, but in summary, the s. 3(4) ground was that the use of the mark was contrary to EU law, and the s. 3(3)(b) ground was that the mark was of such a nature as to deceive the public. The Hearing Officer rejected the other two grounds relied on by the Consorzio, under s. 3(6) and s. 5(4)(a) TMA 1994 (application made in bad faith, and use of the mark being liable to be prevented by the law of passing off, respectively); the Consorzio has not sought to revive these points and I need say no more about them.
6. The Appellant appeals the Decision on both the s. 3(4) and s. 3(3)(b) grounds. The

Consorzio has served a Respondent's Notice seeking to uphold the Decision on alternative grounds. I explain this in more detail below, but in summary, the EU legislation conferring protection on PDOs is now found in Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products ("**Regulation 1308/2013**"). The Hearing Officer upheld the s. 3(4) ground on the basis that use of the mark was prohibited by Art 103(2)(b) of Regulation 1308/2013 which protects a PDO against any "*misuse, imitation or evocation*"; she did not however accept a submission on behalf of the Consorzio that use of the mark was also prohibited by Art 103(2)(a) which protects a PDO against any commercial use of "*that protected name*". By its Respondent's Notice the Consorzio seeks to rely on Art 103(2)(a) in the alternative.

7. There are therefore three questions that arise: did the Hearing Officer err in upholding the s. 3(4) ground on the basis of Art 103(2)(b) of Regulation 1308/2013? did she err in upholding the s. 3(3)(b) ground? if so, should the Decision be upheld on the basis of Art 103(2)(a) of Regulation 1308/2013?
8. I propose to dismiss the appeal for the reasons given in more detail below. In summary the Hearing Officer was entitled to find, as she did, (i) that the PDO would be evoked within the meaning of Art 103(2)(b) of Regulation 1308/2013 and hence that the opposition under s. 3(4) TMA 1994 succeeded; and (ii) that there was a sufficiently serious risk that the consumer would be deceived and hence that the opposition under s. 3(3)(b) TMA 1994 succeeded. It is not in those circumstances necessary to reach a conclusion on the alternative ground raised by the Respondent's Notice, but if it had been I would not have accepted it.

Facts

9. The Grounds of Appeal are in effect a challenge to the Hearing Officer's conclusions on the facts, and it is necessary to give an account of the evidence that was before her. She had two witness statements before her, one on behalf of each party; there was no application to cross-examine and no oral evidence.
10. The evidence for the Consorzio was given by its President, Stefano Zanette. It included the following:
 - (1) Prosecco wine has a long history, being first mentioned in 1382 as produced in Prosecco, Trieste, Italy. By 1700 wine named Prosecco was also produced in the Friuli Venezia Giulia and Veneto regions. In July 2009 Prosecco was recognised as a Denominazione di Origine Controllata by Italian Ministerial Decree, and since 1 August 2009 has been registered as a PDO pursuant to the relevant European legislation (now Regulation 1308/2013).
 - (2) As a result of its status as a PDO, use of the designation Prosecco is reserved for wines that meet the conditions and requirements established in a detailed production specification. This was approved by the Italian Ministerial Decree of July 2009 and has been modified a number of times since. Ms McFarland, who appeared for the Appellant, took me through some of the detailed requirements of the specification in its current form. It includes the following:

- (i) By Art 1, the specification applies to Prosecco (still wine), Prosecco *spumante* (sparkling) and Prosecco *frizzante* (semi-sparkling). (In practice the majority of the wine produced, and the overwhelming majority of that sold in the UK, is *spumante*).
 - (ii) By Art 2 of the specification, Prosecco must be made predominantly from a single grape variety, Glera (although up to 15% can be derived from one or more of 8 other specified grape varieties).
 - (iii) By Art 3, the grapes must be grown in a specific area consisting of 9 provinces (5 in Veneto and 4 in Friuli Venezia Giulia – these are all in Northeast Italy, and extend from Vicenza to Trieste).
 - (iv) Art 4 contains detailed regulations as to the permitted methods of cultivating the grapes, designed to ensure that traditional methods are used; these are highly prescriptive, for example prohibiting particular types of layout, banning what are called forcing practices, and setting out a maximum yield per hectare.
 - (v) By Art 4.7, the grapes have to be such as to ensure a minimum natural alcoholic strength of 9.5% by volume, or 9% in the case of *frizzante* or *spumante*.
- (3) Exports of Prosecco to the UK have risen dramatically since 2011. In 2011 some 110,000 hectolitres were exported to the UK. By 2014 that had risen to over 480,000 (overtaking Germany to become the single largest export market), and by 2017 to over 970,000, well over one-third of total worldwide exports, of which nearly 940,000 was *spumante*.
 - (4) Mr Zanette refers to the Prosecco product and name enjoying considerable reputation and goodwill in the UK, and cites a report from August 2017 to the effect that a consumer poll from the Wine and Spirits Trade Association had found that 97% of 18-24 year olds questioned said that they drank Prosecco.
 - (5) Mr Zanette suggests that the Appellant's products are marketed under the mark in a manner that evokes Prosecco and brings it to mind, illustrating this by comparing the appearance of the Appellant's bottles with typical Prosecco bottles marketed in the UK.
 - (6) He also refers to the fact that the public regularly refer to the Appellant's Prosecco as "*alcohol-free prosecco*" or "*non-alcoholic prosecco*", illustrating this with examples from social media and press articles. I give some examples below.
11. The evidence for the Appellant was given by its in-house Intellectual Property Counsel, Anne-Sophie Lickel. It included the following:
- (1) The Appellant is a French company, founded in 1979. It is predominantly a producer of wines and spirits in France. Its main activity is producing wine, either on its own domains and estates, or by French wine-growers under contract. It is ranked as the leading privately-owned winemaker in France.

- (2) More recently it has moved into producing non-alcoholic wines. This expansion into a different market has been prompted in the main by a desire to meet the market demand from people who wish to enjoy the social side of drinking, perhaps at parties or family events, but without consumption of alcohol. There are many reasons why people choose non-alcoholic drinks, including reasons of religion, health, low calorie requirements, being a designated driver, or being below the legal age for alcohol purchase.
 - (3) As well as other products, it markets, under the name Nosecco, white and rosé sparkling non-alcoholic wine, described in its 2018 brochure as “*Carbonated de-alcoholised wine*”. Nosecco was launched in the UK at the London Wine Trade Fair in May 2017, and thereafter sold throughout the UK, initially through Asda and subsequently through other retailers.
 - (4) Ms Lickel exhibits print-outs of the labels affixed to the Appellant’s goods. These are similar to the label depicted in the international registration, but as well as the words “*EDIZIONE SPECIALE*” they also have “*SPUMANTE*” above the “*NOSECCO*”, and “*da Angelo Taurini*” below it, as well as “*ALCOHOL FREE*” in the scroll at the bottom.
 - (5) Ms Lickel gives some evidence about the origin of the name Nosecco, which is a made-up word. I give further details below.
 - (6) She says that despite almost 2 years of trading in the UK, at no time have any instances of confusion been brought to her, or as far as she is aware, the Appellant’s, attention.
12. The various statements that Ms Lickel makes about the name Nosecco are as follows:
- (1) Nosecco was coined as a novel name to highlight the non-alcoholic nature of the goods (para 17).
 - (2) Nosecco is a coined term. “The suffix “SECCO” means “dry” in Italian. I consider that this is commonly known and in the wine trade the term “SEC” is known as an indicator of the dry quality of a wine” (para 21).
 - (3) “By prefixing with the ordinary English word NO, to produce a newly coined and distinctive “portmanteau” combination made-up word NOSECCO I consider it to be clear that the pun or play on words is highlighted to show that the goods are *Not Dry* (but are on the contrary a sweet-style sparkling non-alcoholic wine)” (para 22).
 - (4) “When the mark is viewed as a whole it could be interpreted to mean “it is not secco, i.e. it is not dry” ” (para 23).
 - (5) “The prefix NO in the Trade Mark NOSECCO and Label Device would be understood to mean “NOT PROSECCO” ... NOSECCO would be perceived by the public to indicate a “beverage which is absent of/not containing Prosecco ... it is clearly a plain indicia *away from the PDO*, not towards it” (para 24).

- (6) “NOSECCO ... if anything may be viewed as a parody of the term Prosecco” (para 25).
- (7) “In summary, the message of the TM [trade mark] (if there be such a thing) is all about what our wines are NOT. The “No” is the starting point of the TM. It is stating that these goods contain NO alcohol, and/or are NOT PDO Prosecco, and/or are NOT dry wines” (para 26).
- (8) In relation to the social media posts and articles referring to Nosecco as “*non-alcoholic prosecco*” and the like, Ms Lickel says that they are comparing the two products, making reference to a characteristic of the Appellant’s product (being non-alcoholic) and recognising the “*witty nature*” or the “*clever concept*” of the name NOSECCO (paras 43 and 44).
13. Ms Lickel does not give any evidence explaining the choice of the Italian wording on the label, either the “*Edizione Speciale*” appearing on the mark, or the additional wording actually used on the goods (“*Spumante*” and “*da Angelo Taurini*”). It is not suggested that the Appellant’s goods in fact have any connection with Italy, and a label on the back of the bottles indicates that the goods are produced in France.

Relevant legislation

14. The relevant UK legislation is the TMA 1994, s. 3(3) and (4) of which (in the form in which they were at the date of the opposition) are as follows:

“3. Absolute grounds for refusal of registration

...

- (3) A trade mark shall not be registered if it is—
- (a) contrary to public policy or to accepted principles of morality, or
- (b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).
- (4) A trade mark shall not be registered if or to the extent that its use is prohibited in the United Kingdom by any enactment or rule of law or by any provision of EU law.”

(s. 3(4) was amended with effect from 14 January 2019, but it was not suggested that this made any difference).

15. The relevant EU legislation is Regulation 1308/2013. Recital (97) to the Regulation is as follows:

“(97) Registered designations of origin and geographical indications should be protected against uses which take advantage of the reputation enjoyed by complying products. So as to promote fair competition and not to mislead consumers, that protection should also extend to products and services not covered by this Regulation, including those not found in Annex I to the Treaties.”

16. Art 103 of the Regulation is found in a section of the Regulation (Part II, Title II, Chapter I, Section 2) dealing with “Designations of origin, geographical indications and traditional terms in the wine sector”. Art 103(2) provides as follows:
- “2. A protected designation of origin and a protected geographical indication, as well as the wine using that protected name in conformity with the product specifications, shall be protected against:
- (a) any direct or indirect commercial use of that protected name:
 - (i) by comparable products not complying with the product specification of the protected name; or
 - (ii) in so far as such use exploits the reputation of a designation of origin or a geographical indication;
 - (b) any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is translated, transcribed or transliterated or accompanied by an expression such as “style”, “type”, “method”, “as produced in”, “imitation”, “flavour”, “like” or similar;
 - (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the wine product concerned, as well as the packing of the product in a container liable to convey a false impression as to its origin;
 - (d) any other practice liable to mislead the consumer as to the true origin of the product.”

Relevant decisions of the Court of Justice

17. I was referred by Ms Clark, who appeared for the Consorzio, to a number of relevant decisions of the Court of Justice (formerly the ECJ, now the CJEU). I will take them in chronological order as follows.
18. Case C-87/97 *Consorzio per la Tutela del Formaggio Gorgonzola v Käserei Champignon Hofmeister GmbH & Co. KG (“Gorgonzola”)*. Here the protected name was Gorgonzola, and the disputed designation was Cambozola, used for a German blue cheese. Art 13(1)(b) of Regulation 2081/1992 protected registered names against “any misuse, imitation or evocation” in similar terms to those now found in Art 103(2)(b) of Regulation 1308/2013. The defendant argued that there was no “evocation” if there was no likelihood of confusion. The Court rejected this, saying:

“25. “Evocation” ... covers a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose designation is protected.”

At [26] the Court said that it was possible for a protected designation to be evoked where there is no likelihood of confusion. They continued:

“27. Since the product at issue is a blue cheese which is not dissimilar in appearance to “Gorgonzola”, it would seem reasonable to conclude that a protected name

is indeed evoked where the term used to designate that product ends in the same two syllables and contains the same number of syllables, with the result that the phonetic and visual similarity between the two terms is obvious.

28. In that connection, it would also seem appropriate for the national court to take into account advertising material published by Käserei Champignon and placed before the courts by the plaintiff, which suggests that the phonetic similarity is not fortuitous.”

At [41] the Court considered Art 3(1)(g) and Art 12(2)(b) of the First Council Directive 89/104/EEC on trade marks, which respectively prevented registration of marks “*which are of such a nature as to deceive the public*” and provided that a mark should be liable to revocation if in consequence of the use made of it “*it is liable to mislead the public*”. The Court said of these provisions that the circumstances envisaged in them:

“presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived.”

19. Joined Cases C-4/10 and C-27/10 *Bureau national interprofessionnel du Cognac v Gust. Ranin Oy (“Cognac”)*. Here the protected name was Cognac and the dispute was over Finnish figurative marks which included both Cognac and Konjakkia or Kahvi-Konjakki. Art 16 of Regulation 110/2008 protected registered geographical indications of spirits, again in similar terms to those now found in Art 103 of Regulation 1308/2013, including in Art 16(b) protection against evocation. At [46] the Court said:

“Points (a) to (d) of Article 16 of Regulation No 110/2008 refer to various situations in which the marketing of a product is accompanied by an explicit or implicit reference to a geographic indication in circumstances liable to mislead the public as to the origin of the product or, at the very least, to set in train in the mind of the public an association of ideas regarding that origin, or to enable the trader to take unfair advantage of the reputation of the geographical indication concerned.

At [56] the Court reiterated what they had said in *Gorgonzola*, namely that there was evocation where the term used to designate a product incorporates part of a protected designation so that when the consumer is confronted by the product the image triggered in his mind is that of the protected product; and at [57] said that that could be the position in the case of products with visual similarities and sales names that were visually and phonetically similar.

20. Case 75-15 *Viniiverla Oy v Sosiaali-ja terveysalan lupa-ja valvontavirasto (“Viniiverla”)*. Here the protected name was Calvados, and the disputed designation was Verlados, used on a cider spirit produced in the Finnish town of Verla. The relevant protection was again that found in Art 16(b) of Regulation 110/2008. At [22] the Court said (in the context of evocation):

“the national court must essentially rely on the presumed reaction of consumers in the light of the term used to designate the product at issue, it being essential that those consumers establish a link between that term and the protected name.”

At [33] the Court reiterated that it was legitimate to consider, where products are similar in appearance, whether the sales names are phonetically and visually similar.

At [34], referring to *Gorgonzola*, the Court said that they had held that such similarity was “clear” where the term used to designate the product ends in the same two syllables and has the same number of syllables as the protected name. At [37] they referred to it not being disputed:

“that the name “Verlados” is used in Finland for products similar to those with the protected geographical indication “Calvados”, that those products have objective characteristics in common, and they are consumed, from the point of view of the relevant public, on occasions which are largely identical.”

At [38] they said that the referring court must take into account the fact that the two names both contained 8 letters of which the last 4 were identical and that they shared the suffix “dos” “*which confers on them a certain visual and phonetic similarity*”; at [39] they said that the referring court must also take into account possible information capable of indicating that the visual and phonetic relationship was not fortuitous. At [40] they referred to the French Government’s contentions that “Verlados” was originally named “Verla”, the “dos” being only added later after a significant growth of exports of Calvados to Finland and that “dos” had no meaning in the Finnish language; they said that if such facts could be established, they were capable of constituting evidence from which it could be concluded that the relationship between the names was not fortuitous. At [45], referring again to *Gorgonzola*, they reiterated that there could be evocation in the absence of likelihood of confusion, adding:

“since what matters is, in particular, that there is not created in the mind of the public an association of ideas regarding the origin of the products, and that a trader does not take undue advantage of the reputation of the protected geographical indication.”

21. Case C-44/17 *Scotch Whisky Association v Klotz* (“**Scotch Whisky**”). Here the protected geographical indication was Scotch Whisky, and the disputed designation was Glen Buchenbach, used on a German whisky. At [45] the Court repeated what they had said in *Viniiverla* at [22] as to the need for the national court to rely on the “*presumed reaction of consumers*”. At [49] they held that phonetic and visual similarity between the disputed designation and the protected geographical indication was not essential to establishing evocation, but was just one of the factors to be taken into account. At [57]-[60] they considered whether the context in which the disputed designation was embedded was relevant, and said that account was not to be taken of the context surrounding the disputed element, or in particular by the fact that that element is accompanied by an indication of the true origin of the product concerned.

The Decision

22. In the Decision the Hearing Officer first sets out the background and the evidence, and then at [17ff] considers the ground under s. 3(4) TMA 1994.
23. At [20] she dismisses the Consorzio’s argument under Art 103(2)(a) on the basis that this refers to any direct or indirect commercial use of “*that protected name*”, and since “*that protected name*” is the PDO (ie Prosecco), and the Appellant’s mark does not consist of or contain the PDO, Art 103(2)(a) does not apply.
24. At [21] she turns to Art 103(2)(b), citing from *Gorgonzola* at [25]-[26] on the nature of evocation, namely that it covers the situation where the disputed designation

triggers in the mind of the consumer an image of the protected product, but that it is unnecessary for there to be a likelihood of confusion.

25. At [23] she finds that the Appellant's goods are "*highly similar*" to Prosecco. Since this is one of the aspects of the Decision that the Appellant criticises, I will cite it in full, as follows:

"The IR [ie international registration] covers non-alcoholic wines and non-alcoholic sparkling wines, which includes de-alcoholised wine. Evocation becomes more likely the more similar the goods are to those protected by the PDO. The holder [ie the Appellant] submits that the goods are not similar because its goods do not contain alcohol. This difference means that they are not identical, but it does not make the goods dissimilar. The holder itself submits that the goods are a drink for those who wish to avoid alcohol. They are therefore in competition with alcoholic drinks. The word wine appears in its specification of goods. These are non-alcoholic or de-alcoholised wines. Prosecco is a type of wine. Non-alcoholic wines are sold in close proximity to alcoholic wines in supermarkets. Their purpose is to be drunk in the same way as wine or other 'sociable' drinks. The holder's goods, particularly its non-alcoholic sparkling wines, are highly similar to Prosecco."

26. At [24] she says that by far the most prominent visual component of the mark is NOSECCO, and at [25] she compares NOSECCO with PROSECCO, concluding that they are visually and aurally similar to a reasonably high degree.

27. I should cite [26] in full:

"The holder states that the inspiration for its mark comes from the combination of 'no', as a negative, and 'secco' meaning dry, the whole meaning 'not dry'. Even if some average consumers see the mark this way, I think a far greater proportion will bring to mind Prosecco. In connection with non-alcoholic wines, average consumers will consider the combination of the 'no' element and the visual and aural similarity of NOSECCO to the PDO to reference prosecco or a prosecco-like drink containing no alcohol. This is because far more consumers will bring to mind Prosecco, which was hugely famous in the UK at the relevant date, than will pick out the Italian word for dry and then make sense of it with the word 'no' as meaning no dry and therefore sweet, as contended by the holder. They may not confuse the two, but the image of Prosecco will be triggered in their minds on encountering the IR containing NOSECCO, for the goods at issue. Even if the consumer does not interpret NOSECCO as referencing no alcohol, the visual and aural similarities, in conjunction with the goods, will still cause an evocation of Prosecco. It does not matter that the IR contains other components. If anything, the Italian words EDIZIONE SPECIALE strengthen the evocation of the Italian drink Prosecco, as does the appearance of a typical wine label."

28. She then deals with the question of the Appellant obtaining a marketing advantage from use of its mark. At [27] she sets out recital (97) of Regulation 1308/2013, and at [28] an extract from the Court of Justice's decision in Case C-487/07 *L'Oréal SA v Bellure NV* ("*L'Oréal*"), as follows:

"The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of that mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying

any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image.”

29. She then at [29] concludes that the Appellant would gain a marketing advantage. Again I should cite it in full:

“I consider that the holder will gain a marketing advantage from the use of its mark which I have found evokes the PDO in relation to goods which are similar because the marks will appear instantly familiar to the relevant public. Most of the social media evidence filed by the opponent is dated after the relevant date of 22 November 2017, the product having been launched in the UK a few months earlier, in June 2017. By July of that year, a month after launch, 112.7 million bottles of Prosecco had been sold in the UK since the start of the year. That equates to about two bottles per head in the UK. Prosecco clearly had a vast reputation by the relevant date, so the position is likely to have been the same then as it was a few months later after launch when comments were made on social media platforms. Six months after the relevant date the evidence filed shows other examples linking NOSECCO with alcohol-free or non-alcoholic Prosecco in the press and in social media.”

30. At [30] she expresses her conclusion on this ground as follows:

“Even without this evidence, I conclude that the vast amount of sales that had occurred by the relevant date and the similarity between the PDO and the IR in relation to highly similar goods means that the PDO would be evoked within the meaning of Article 103(2)(b) and the holder will gain an advantage. **The opposition under section 3(4) succeeds.**”

31. At [31]-[34] the Hearing Officer deals with the ground under s. 3(3)(b) TMA 1994. Having referred to the test laid down by the Court of Justice, that there must be actual deceit or a sufficiently serious risk that the consumer will be deceived, she says at [33] that for this ground to succeed such deception must be attributable to the mark itself as opposed to the way in which it is used, and continues at [34]:

“I have already commented above upon the similarities between Prosecco and NOSECCO. Added to that, the mark as a whole has the appearance of a wine label and includes Italian words, reinforcing the Italian wine message. Prosecco is a famous Italian wine of huge popularity in the UK at the relevant date. The holder's goods are non-alcoholic wines. I find that, at the relevant date, there was a sufficiently serious risk that the consumer would have be[en] deceived into believing that the holder's mark denoted goods which in some way were compliant with the PDO, such as being derived from Prosecco; i.e. de-alcoholised Prosecco. The average consumer would be deceived about the nature of the holder's goods and such a belief was likely to have influenced the purchasing decision. **The opposition under section 3(3)(b) succeeds.**”

32. She then considers the other two grounds relied on by the Consorzio (s. 3(6) and s. 5(4)(a) TMA 1994) which are no longer pursued, and at [46] awards costs to the Consorzio in the sum of £2100.

Grounds of Appeal

33. The Appellant's Grounds of Appeal is a long and diffuse document (running to 11 pages and 44 paragraphs) and does not identify separate numbered grounds in the

usual way. The Practice Direction governing appeals to the Court of Appeal (Practice Direction 52C) provides that the Grounds of Appeal must identify as concisely as possible “*the respects in which*” the judgment of the Court below is wrong (or unjust because of a serious procedural or other irregularity), contrasting this with “*the reasons why*” the decision under appeal is wrong (or unjust), and expressly provides that the latter must not be included in the Grounds of Appeal and must be confined to the skeleton argument (PD 52C para 5(1), (2)). That makes it clear that the purpose of the Grounds of Appeal is to identify the grounds relied on, not argue them.

34. The Practice Direction governing appeals to the High Court (Practice Direction 52B) is not quite so explicit, but does provide that the Grounds of Appeal must set out, clearly and concisely, why the order of the lower court was wrong (or unjust because of a serious procedural or other irregularity) (PD52B para 4.2(d)), and I see no reason to think that it was intended to have any different effect. The Grounds of Appeal should therefore in my judgment be a short document concisely identifying (and numbering) the separate grounds relied on in support of the appeal; it should not develop or argue the Grounds which is a matter for the skeleton argument. Having separate numbered Grounds is in my experience a useful discipline, and also usually forms a helpful structure for the appellate court to give judgment.
35. The practical effect for present purposes is that it is difficult to summarise the Appellant’s Grounds of Appeal. The thrust of them however is that although the Hearing Officer referred to various legal tests and authorities, she did not apply them properly to the facts of the case (paragraphs 15-16), and that her findings of fact are not properly supported by a fair assessment of the evidence (paragraph 14). Rather than seek to identify specific separate grounds, I propose in the circumstances to deal with Ms McFarland’s submissions in the order in which she made them orally, and then consider whether there is anything else in the written Grounds of Appeal that needs addressing.

Principles for appeal

36. I did not detect any difference between the parties as to the principles applicable to an appeal such as this. Both counsel accepted that this appeal is not in the nature of a re-hearing but a review of the decision below: see CPR r 52.21(1). The cases in which appellate courts have sought to describe the limited circumstances in which the factual conclusions of a first instance decision-maker can be overturned on appeal are legion, and it is well-established that this requirement for appellate restraint applies not just to findings of primary fact, but to what are often called multi-factorial or evaluative assessments based on the primary facts. I was referred by way of illustration to the decision of Daniel Alexander QC, sitting as the Appointed Person, in *TT Education Ltd v Pie Corbett Consultancy* (BL O/017/17) where at [11ff] he considered in detail the principles applicable to appeals from decisions of Hearing Officers, and at [52] summarised them. I do not need to set them out: in the case of a multi-factorial assessment or evaluation, his summary was that the Appointed Person (or here the Court) should show “*a real reluctance*”, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. If I can express it in my own words, in short the issue on an appeal against a decision-maker’s factual conclusions is not whether the appeal court agrees with them, but whether they were conclusions that the decision-maker was entitled to reach.

Inadequate reasoning?

37. Ms McFarland prefaced her submissions with some headline or summary points. The first was that the more complex the law and/or the facts involved in a conclusion, the higher the burden on the fact-finding tribunal to provide a complete and comprehensive explanation of its decision, and set out its reasoning, thought and analytical processes.
38. Put like that, I do not accept this submission. I do not think it is incumbent on a fact-finding tribunal to set out in detail all the evidence and reasoning that has led it to its conclusions; indeed in very many cases it would be impossible to do so. It is true that a judicial decision requires the decision-maker to give reasons for his or her decision, but, as Robert Walker LJ said in *REEF (Besant v South Cone Inc)* [2002] EWCA Civ 763 at [29], the duty to give reasons must not be turned into an intolerable burden. This duty, as explained by the Court of Appeal in *English v Emery Reimbold & Strick Ltd* [2002] EWCA Civ 605 at [17]-[19], simply requires a judge (or other decision-maker) to explain to the parties, and if necessary to an appellate court, the basis on which he or she has acted. In the present case I do not think there is any difficulty in understanding the basis on which the Hearing Officer acted: it is in summary that the Appellant's mark in her view evoked the PDO Prosecco, in the sense that the image of Prosecco will be triggered in the minds of the average consumer on encountering the mark containing NOSECCO (Decision at [26]). That seems to me both readily comprehensible and an adequate explanation of her reasoning.
39. Ms McFarland next said that where there are inconsistencies apparent on the face of the Decision that is a powerful indication that the Hearing Officer has erred. That may well be so, but requires fleshing out with specific examples.

Inadequate reference to evidence?

40. The next submission was that the Hearing Officer had not referred to all the evidence that was before her, and that important aspects of the evidence were apparently ignored. Again that is a submission that needs to be backed by specific examples, but as a general point it is not incumbent on a decision-maker to recite all the evidence that was before them. Courts at the highest level have said that a judgment should be read on the assumption that:

“unless he has demonstrated the contrary, the judge knew how he should perform his functions and which matters he should take into account”

(*Piglowska v Piglowski* [1999] 1 WLR 1360 at 1372G per Lord Hoffmann), and that:

“An appellate court is bound, unless there is compelling reason to the contrary, to assume that the trial judge has taken the whole of the evidence into his consideration”

(*Henderson v Foxworth Investments* [2014] UKSC 41 at [48] per Lord Reed JSC).

Gaps in the evidence?

41. Ms McFarland's next headline point was that there were gaps in the evidence adduced by the Consorzio which the Hearing Officer filled by embarking on a frolic of her

own or substituting her own views in an impermissible way. Two specific examples were given.

42. First, that there was no expert evidence as to the similarity between the Appellant's non-alcoholic wine Nosecco and Prosecco. I do not see what expert evidence would have added: the similarities between them are obvious. It was Ms Lickel's own evidence that: (i) Nosecco is a "*non-alcoholic sparkling wine*", described in its brochure as "*carbonated de-alcoholised wine*" and on the rear labels as "*Carbonated flavored drink based on de-alcoholised wine*"; (ii) that it was sold in glass bottles usually with a cork and wire cage covered by foil (and there was ample evidence before the Hearing Officer as to the appearance of the bottles, and the extent to which they were similar to typical Prosecco bottles); and (iii) that the Appellant's expansion into the market was driven by market demand from people who wish to enjoy the social side of drinking, perhaps at parties or family events, but without consumption of alcohol.
43. This latter point was supported by its brochure which said on the Nosecco page "*Dynamic young people to be involved to the party even if they don't drink alcohol*", and contained illustrations of young people in what appear to be party and family settings. The same page also has a picture of the product in glasses of the familiar flute shape used for champagne and sparkling wines, and describes the product in a style reminiscent of descriptions of wine, by reference to its colour ("*pale yellow with elegant bubbles*"), nose ("*expressive, with intense fruity notes, dominated by white flowers and muscatel white grapes*") and palate ("*well balanced and structured*"). In-house advertising material produced by Ms Lickel included an exhortation to "*Celebrate with Nosecco*", described it as "*a lovely appetiser*" and said "*The wine is well balanced and suited for fish and shellfish dishes or perfect for a party with friends*".
44. In those circumstances it seems to me that the Appellant has itself gone out of its way to portray and market its product as being as similar to a sparkling wine as possible, save only that it has no alcohol. I asked Ms McFarland what other difference there was between the Appellant's product and a sparkling wine and she accepted there was none other than those which flowed from the fact that it was non-alcoholic, such as the target market being different (those who wanted the bubbles but not the alcohol) and the price being much lower than that of a bottle of (ordinary, alcoholic) wine because of the duty on alcoholic drinks. These differences are identified in the evidence. I do not therefore see what expert evidence was needed, or what it would have added, or indeed what kind of expert would have been useful.
45. The second suggested lacuna in the evidence was that there was no evidence from the purchasing public, or from retailers, or the trade press, as to what would prompt the majority of the public to buy the product. Given the evidence that I have just referred to (namely the Appellant's own evidence as to the market demand that prompted their expansion into non-alcoholic products, and the way in which the goods were packaged and marketed), I do not see what evidence from the purchasing public would have been likely to add.
46. Ms McFarland also referred to the summary of the law in *Consorzio per la tutela dei vini Bolgheri D.O.C. v Domaine Boyar International* (Opposition No B 2 939 471) ("*Bolgheri*"), a recent decision of the Opposition Division in the EUIPO, which at

p 16 summarises the law on Art 103(2)(b) as follows:

“According to case law, there is “evocation” when confronted with the name of the product, the image triggered in the consumer’s mind is that of the product whose designation is protected, it being essential that those consumers establish a link between that term and the protected name.”

She submitted that as it was essential to establish the link, evidence was required from consumers to that effect.

47. I do not think that is right. The reference to such a link being essential is taken by the EUIPO from *Viniiverla* at [22] (paragraph 20 above) where it follows directly on from a statement by the Court of Justice that the national court should base its decision on the “*presumed reaction of consumers*” in the light of the term used to designate the product at issue. This is now settled law: see *Scotch Whisky* at [45] (paragraph 21 above). That points away from requiring actual evidence from consumers, and towards permitting the national court to form its own assessment as to the likely reaction of the public in the light of the disputed designation. Hearing Officers, as has frequently been said, are experienced in their own specialised field, and they can use their own expertise in making such assessments. In any event, the Hearing Officer here did have evidence, in the form of the social media posts and press articles (see below), as to how the public saw the product. That was material on which she could draw (as well as on her own experience) as to what would be likely to, and did, prompt the public to buy the product.

The social media material and press articles

48. Ms McFarland said that there were several difficulties with the social media material: many social media posts are under a pseudonym or nickname which makes it difficult to track people down and ask them about their posts; they tend to be very short and without context; none of the people posting had given evidence first-hand. Such secondhand and acontextual material was, she submitted, unhelpful. It was not possible to tell what was in the minds of those who posted when they did so.
49. I do not accept this submission. I should give some description of the material. It consists of posts from instagram, twitter and facebook in which members of the public have posted about Nosecco, but in which a link is made to Prosecco. It is not necessary to set it all out, but some examples will suffice. Several users of instagram have posted pictures of Nosecco with hashtags such as #noalcoholprosecco, #AlcoholFreeProsecco, #nonalcoholicprosecco, or (in one case) #kidsprosecco. One posted:

“Nosecco ... (aka alcohol free prosecco) ... a little sweeter than the real deal”

Another attracted the comment:

“This is the best no-alcohol prosecco I’ve tried.”

Examples of references in tweets include:

“im sober so my family got me non-alcoholic prosecco (called nosecco) so I don’t miss out on the bubbles.”

“Makes me laugh that the non alcoholic Prosecco they gave us at work is called Nosecco”

“I hope you are going to offer the non alcoholic Prosecco (Nosecco)”

“Did you know there’s a non-alcoholic prosecco, it’s called Nosecco.”

Some tweeters were uncomplimentary about the taste, one saying:

“In case any preggers ladies were thinking of buying this in the hope it will taste vaguely like prosecco...DON’T.”

There are also a number of facebook posts from retailers or other traders referring to Nosecco as “*alcohol free Prosecco*” or “*non-alcoholic prosecco*”.

50. There were also online press articles in evidence about Nosecco, two from June 2018, one by Good Housekeeping headlined “*ASDA launches an alcohol-free Prosecco for summer*”, and the other in similar terms from ESM Magazine headlined “*UK Retailer Asda Debuts Private-Label Alcohol-Free Prosecco*”; and one from the Financial Review in December 2018 where under the subheading “*Prosecco or Nosecco?*” the author writes:

“Having recently gone teetotal myself, I have tried and also really liked – to my surprise – Nosecco, an alcohol-free version of prosecco that is similar enough to the real thing to be satisfying.”

51. This material seems to me very capable of being helpful evidence. Although secondhand, there is no reason to think that it reflects anything other than the genuine and unprompted perception of ordinary consumers; indeed independent evidence of this sort, not produced for the purposes of the litigation, has some distinct advantages over evidence specifically prepared for the litigation. What the Hearing Officer said (at [29]) was that the marks would appear instantly familiar to the relevant public, citing the social media comments and press articles; she also referred to the evidence as showing examples linking NOSECCO with alcohol-free or non-alcoholic Prosecco in the press and social media. I see nothing inappropriate or wrong in her doing this; to my mind the material does indeed strongly support her conclusion that the mark evokes the PDO.
52. Ms McFarland said that those who posted appeared to emphasise the non-alcoholic nature of Nosecco: so they do, but what is significant is that they refer to Nosecco as a non-alcoholic version of Prosecco. That is evidence that directly shows consumers establishing a link between the disputed designation and the protected name, as required by the Court of Justice’s jurisprudence. It seems to me a plain case of the one evoking the other – or, at the very least, that this was a conclusion that the Hearing Officer was entitled to reach – and one does not need to track down and interrogate those who made these comments, or understand the precise context, to find support for that conclusion in this material. What was in their mind when they wrote what they did appears clearly enough from what they said: they evidently regarded Nosecco as, or assumed it to be, a non-alcoholic version of Prosecco.
53. Ms McFarland accepted that if the Appellant had marketed its product under a label expressly calling it “*Non-alcoholic Prosecco*” (or, I would add, “*Alcohol-free*”

Prosecco”) that would have been a straightforward breach of Art 103(2)(a); I see nothing wrong in the conclusion that when consumers read “Nosecco” as conveying the same thing, that is a case of evocation of Prosecco. Indeed, I have doubts whether the Hearing Officer could properly have come to any other conclusion, but I need not of course go that far. It is sufficient to say that it was a conclusion she was amply entitled to come to.

54. That in a sense is sufficient to decide the appeal, but I will consider the other points relied on by Ms McFarland.

Perverse conclusion as to similarity?

55. Ms McFarland criticised the conclusion of the Hearing Officer in the last sentence of [21] that the Appellant’s goods, “*particularly its non-alcoholic sparkling wines*”, are “*highly similar*” to Prosecco. Ms McFarland said that “*particularly*” was inapt, as the case was all about the non-alcoholic sparkling wines. I do not think there is anything in this point: it is well established that judgments or decisions should not be subjected to minute textual criticism. In any event she had pointed out at the beginning of [21] that the international registration covered both non-alcoholic wines and non-alcoholic sparkling wines; there was I think in fact no evidence of the Appellant marketing still non-alcoholic wine under the name Nosecco, but the mark covered both and all I think the Hearing Officer was pointing out was that the similarity was greater for sparkling products than still. That seems to me obviously true.
56. Ms McFarland then submitted that the conclusion was perverse. That seemed on analysis to rest on no more than the fact that there was an obvious and significant difference between the products, namely that one was non-alcoholic. But the Hearing Officer did not overlook this obvious difference: she expressly refers to the Appellant’s submission to this effect, and accepts that this difference means the goods are not identical. She then lists the similarities between the goods: the Appellant’s goods are (i) in competition with alcoholic drinks; (ii) a type of wine (as Ms McFarland accepted); (iii) sold in close proximity to alcoholic wines; and (iv) intended to be drunk in the same way as wine and other sociable drinks. I do not think it can be said that this list is inaccurate, nor that her conclusion based on it is perverse.

Choice of the name

57. Ms McFarland criticised the Hearing Officer for not giving appropriate weight to the cogent and unchallenged evidence from Ms Lickel as to what was the driving force behind the choice of the name Nosecco. She submitted that the effect of that evidence was that Nosecco was a made-up word to say to people that the product was not alcoholic; not dry; and not Prosecco.
58. I accept that the first syllable of a name is likely to make the most impression, and that the “No-” at the start of Nosecco is therefore likely to convey the message that the product is not something. Indeed the obvious message conveyed is that it has no alcohol.
59. The Hearing Officer thought it unlikely that most consumers would see the mark as

conveying the meaning that it was not dry, even if that had been the inspiration for the mark (at [26]). In fact Ms Lickel does not say that the “not-dry” meaning was the actual inspiration for the mark; she says that the made-up word combines No and secco and “*highlights the pun or play on words*”, and “*could be interpreted*” to mean not dry (paragraph 12(3) and (4) above), which is not quite the same. But even assuming that this was the derivation of the name, the Hearing Officer was entitled, if not obliged, to form a view as to the presumed reaction of consumers, which cannot depend on what those who made up the word intended.

60. As to the suggestion that it would also convey the message that the product was not Prosecco, I do not think that invalidates the point made by the Hearing Officer at [26]. That is that the effect of the aural and visual similarity between Nosecco and Prosecco, in combination with the initial “No-” would cause average consumers to consider it to be a reference to Prosecco or a Prosecco-like drink with no alcohol. I do not see how that could be said to be an unrealistic or unjustified view: indeed Ms Lickel’s reference to the name as a “*parody of Prosecco*”, and to its “*witty nature*” or “*clever concept*”, seems to me to come very close to accepting that the intent behind the name, or at least its effect, was to make consumers think of Prosecco, and to contrast Nosecco with it because Nosecco was alcohol-free. That by itself in my view would make the case that Nosecco evokes Prosecco within the meaning of Art 103(2)(b) as expounded by the Court of Justice, because it triggers in the mind of consumers an image of Prosecco. It is not necessary that the consumer should believe the Appellant’s product actually to be Prosecco, as it is clear from the terms of Art 103(2)(b) that it would cover such formulations as “*Prosecco-like*” or “*in the style of Prosecco*” or even “*imitation Prosecco*”. The average consumer would understand that products so labelled were not actually Prosecco, but this does not prevent them being examples of evocation.

Unfair advantage?

61. Ms McFarland criticised the Hearing Officer’s conclusion at [29]-[30] that the Appellant would gain an advantage. She said that that was the wrong test: it was necessary to find an *unfair* advantage, as illustrated by the passage cited at [28] from *L’Oréal*.
62. I do not accept this criticism, for two reasons. First, there is no reference to unfair advantage in Art 103(2)(b). What Art 103(2)(b) requires to be established is an evocation, and whether there is an evocation or not is to be found by applying the test laid down by the Court of Justice in *Gorgonzola* at [25] and reiterated in the other cases, namely that the image triggered in the consumer’s mind is the product whose designation is protected. The Hearing Officer had already concluded that this test was met at [26], so what she says about taking advantage was not strictly necessary to her decision.
63. Second, her conclusion in [29] is that the Appellant would gain a marketing advantage from the use of the mark because the marks would appear familiar to the relevant public, Prosecco having at the date of launch a “*vast reputation*”. Read in context, I see no reason to doubt that what she meant was that the mark would be obtaining an advantage by “*riding on the coat-tails*” of Prosecco and benefiting from its reputation. That is to be regarded as taking an unfair advantage, as explained in *L’Oréal*; it could not be suggested that for a product to take advantage of the

reputation of a PDO in this way could be a fair way of behaving.

Conclusion on s. 3(4) TMA 1994

64. I have now considered the matters raised orally by Ms McFarland in support of the appeal against the Hearing Officer's decision that the Consorzio's opposition under s. 3(4) TMA 1994, based on Art 103(2)(b) of Regulation 1308/2013, succeeded. I do not think that there is anything else of substance in the Grounds of Appeal that requires separate consideration.
65. In her skeleton argument, Ms McFarland referred to two recent decisions of the Opposition Division in the EUIPO, one being *Bolgheri* and the other *Consejo Regulador del Vi de la Terra Mallorca v Rotkäppchen-Mumm Sektkellereien GmbH* (Opposition No B 3 066 437). In each case an opposition under Art 103(2)(b) failed. In the latter case this was because the Opposition Division considered that the public would not expect a non-alcoholic wine (marketed under the name Sol de Mallorca) to have a connection with the PGI (protected geographical indication) Mallorca. I was told by Ms Clark that both cases are under appeal, but more significantly, they evidently turn on their own facts. I do not think they undermine the Hearing Officer's approach to the rather different facts in the present case.
66. For the reasons given above, I am not persuaded that the Hearing Officer erred in principle or reached a conclusion that she was not entitled to on the evidence. There is in my judgment no basis for disturbing that conclusion on appeal.

Appeal on s. 3(3)(b) TMA 1994

67. Ms McFarland accepted that this raised much the same point. The question is whether there was a sufficient evidential basis for the Hearing Officer's conclusion that there was a sufficiently serious risk that the consumer would be deceived. The risk found by the Hearing Officer was that consumers would consider that the Appellant's goods were "*in some way ... compliant with the PDO such as being derived from Prosecco; ie de-alcoholised Prosecco*".
68. Ms McFarland criticised this as being sloppy as she did not state in what way they were compliant; she also submitted that a product was either compliant with a PDO or not, and the Appellant's product was obviously not as it was not alcoholic. I think these criticisms miss the point. The consumer who understands the mark to refer to non-alcoholic Prosecco is unlikely to have a detailed concept of precisely what the relation between the goods and Prosecco is – indeed is unlikely to have a detailed knowledge of the requirements of the specification for the PDO. But consumers who think that the Appellant's goods are alcohol-free Prosecco will believe the goods to have *some* connection with Prosecco, and even if they do not know quite what, will be deceived as to the nature of the goods as it is not suggested that Prosecco in fact has any connection with Prosecco at all.
69. The Hearing Officer was in my judgment entitled to reach this conclusion as well.

Appeal against costs

70. There is an appeal against the Hearing Officer's decision on costs. Ms McFarland

submitted that the Consorzio was only partially successful and that that should have been reflected in costs. But it succeeded in opposing the registration, which was its objective. The fact that it succeeded on only two grounds and not all four that it relied on does not take away the fact that it was the successful party. An award of costs in those circumstances was in my judgment well within the discretion of the Hearing Officer.

Respondent's Notice

71. It is not in the circumstances necessary to deal with the Respondent's Notice, seeking to uphold the Hearing Officer's decision under s. 3(4) TMA 1994 on the alternative basis of Art 103(2)(a) of Regulation 1308/2013. I will simply say that the Hearing Officer seems to me to have been right when she said that this argument failed because Art 103(2)(a) requires use of "*that protected name*", and Nosecco is not "*that protected name*" ie Prosecco.
72. It is not like the case cited by Ms Clark, *Consorzio di Tutela della Denominazione di Origine Controllata Prosecco v San Isidro S.C.C.L.M.*, a decision of the Board of Appeal of the EUIPO (R 425/2019-1) in which what was in issue was the registration of a mark containing "PRO&ECO". There the Board of Appeal accepted that the ampersand would be read in Romanian as "*și*" and in Hungarian as "*és*", in each case producing a pronunciation for "PRO&ECO" that was almost identical to Prosecco. In those circumstances it concluded that Romanian and Hungarian consumers would perceive "PRO&ECO" as an "*intelligent misspelling*" of Prosecco and that this was sufficient to amount to a direct or indirect use of the PDO within the meaning of Art 103(2)(a) of Regulation 1308/2013. This admittedly seems quite a generous interpretation of Art 103(2)(a). But even on this approach, Nosecco cannot on any view be described as a misspelling, intelligent or otherwise, of Prosecco.

Conclusion

73. I will dismiss the appeal for the reasons I have given.