THE PATENT OFFICE

Room 1A
Harmsworth House
13-15 Bouverie Street
London, EC4Y 8DP.

Wednesday, 18th December 2002

Before:

MR. SIMON THORLEY QC
(Sitting as the Appointed Person)

In the Matter of the **TRADE MARKS ACT 1994**
and
In the Matter of Trade Mark Application No: 2029556
in the name of **MEZZACORONA** in the name of
Cantine Mezzacorona
and
In the Matter of an Opposition thereto No. 46049
by Miguel Torres, SA

Appeal of the Applicant from the decision of Mr. George Salthouse acting on behalf of the Registrar, dated 4th February 2002.

(Computer-aided Transcript of the Stenograph Notes of
Marten Walsh Cherer Ltd., Midway House,
27/29 Cursitor Street, London, EC4Y 1LT.
Telephone No: 02074055010. Fax No: 02074055026.)

MR. GUY TRITTON of counsel (instructed by Murgitroyd & Co) appeared on behalf of Cantine Mezzacorona.

MRS. MADELEINE HEAL of counsel (instructed by Raworth Moss & Cook) appeared on behalf of Miguel Torres.

D E C I S I O N
(as approved by the Appointed Person)

THE APPOINTED PERSON: This is an appeal which has got into a muddle. It is an appeal from a detailed decision of Mr. Salthouse, acting on behalf of the registrar, given on 4th February this year. It arose out of an opposition by Miguel Torres SA to the registration of a device mark consisting primarily of the conjoined Italian words MezzaCorona by Cantine MezzaCorona SCARL, an Italian co-operative, who grow wine in the Trentino area of Italy.

The grounds of opposition were many. It was suggested that the mark applied for offended against sections 3(3), 3(4), 3(6), 5(2) and 5(4). The objections under 5(2) and 5(4) were based upon the alleged use by the opponents of the trade mark Corona and upon the registration of two trade marks, each of which contained the word Corona. The hearing officer rejected the opposition on all grounds and in doing so, denied the opponents the right to amend the ground of opposition under section 3(6). Notice of appeal to the appointed person was given and the grounds of appeal are dated 4th March 2002. Subsequent to those grounds of appeal, the Advocate General and the Court of Justice have given the opinion and judgment in a case (**Borie Manoux**) referred from the Cour de Cassation, which concerned a question of interpretation of council regulation 2392/89. The judgment was given on 24th October 2002. Council regulation 2392/89 is entitled as: "Laying down general rules for the description

and presentation of wines and grape musts." It is material to the present appeal because one of the grounds of objection raised under section 3(4) is that:

"A trade mark shall not be registered if or to the extent that its use is prohibited in the UK by any enactment or rule of law or by any provision of Community law."

Before Mr. Salthouse, the objection under section 3(4) was raised, as I understand it, on the basis that MezzaCorona differed only insubstantially from MezzoCorona, the name of a town or village in Italy well known for the growing of grapes and which, it was alleged was designated, pursuant to article 11.2(l) of the Regulation, as being a smaller geographical unit within a specified region for the purposes of the Regulation.

Article 13 provides that producer member states may allocate the name of such a smaller geographical unit as being a name that can be used or must be use the as part of the description of the wine. There was evidence served on this and the hearing officer reached the conclusion that it was not so designated. The grounds of appeal drew attention, somewhat obliquely, to the fact that the hearing officer had failed in reaching his conclusion to take into account the wording and requirements of article 12.

Subsequent to serving the grounds of appeal, the opponents wrote to the Registrar seeking permission to amend

the ground of appeal which related to the section 3(4) objection. Not surprisingly, the Registrar indicated that that was not a matter which could be dealt with in the registry and directed that it should be the subject of an application in the appeal.

I do not propose in this decision to go into the details of the proposed amendment. I would say only this: that it does not appear to me expressly to foreshadow the argument that is now sought to be put before me on the basis of the Regulation.

It is my practice when papers are first put before me to review the decision appealed against and the grounds of appeal, to see whether any question of a reference to the court arises. I did that in the present case and having regard to the decision and the ground of appeal, did not myself perceive that there was any need for a reference, notwithstanding the fact that the ground of objection under section 3(4) is not a well canvasses ground. It seemed to me on the facts of the case and on the arguments that had apparently been presented before the hearing officer that no important question of law was going to arise.

Very helpfully, both parties supplied skeleton arguments for the appeal, which on any basis was not going to be a simple appeal. The skeleton arguments put forward on behalf the opponents by Mrs. Heal starts off by indicating

that she believes this to be a difficult case which raises important issues. In particular, she identifies the possibility of important issues of Community law arising and also that matters relating to the effect of TRIPs might arise. It would be wrong in this decision to go into any detail as to what the nature of that argument is. It has only been ventilated shortly before me today and it is quite plain that the contentions that the appellants now wish to put before this tribunal are wholly different from those which were put before Mr. Salthouse. They focus very much upon the opening words of article 12 of the Regulation, which provides: "Only the information specified in article 11 shall be allowed for the description on the label of a quality wine PSR".

As I understand it, this is to be developed on the substantive hearing into a contention that the use of MezzaCorona is prohibited by reason of article 12 and is not entitled to be used as a brand name pursuant to article 11.2(c), even if that use is in accordance with the conditions laid down in article 40.

Mr. Tritton, who appears on behalf the applicant raised three preliminary points this morning. First of all, he said that the argument with was so different to any argument that was either pleaded or raised in the tribunal below, that I should refuse to allow it to be put forward before on appeal.

Secondly, he said that if I was minded to allow the argument to be put forward, I should adjourn the substantive hearing to give him an opportunity of considering the argument in detail with his clients and of adducing further evidence if he saw fit.

Third, he said that I should consider in the light of the new argument whether this was now an appropriate case to be heard before this tribunal or whether it would be right for me to refer it to the court under section 76.

Dealing with the first of these, I have the very greatest sympathy with Mr. Tritton. It was not apparent to me on reading the decision and the grounds of appeal that an argument of the nature now sought to be put forward was going to be put forward. It is a wholly different argument, but it is in substance a contention of law. It may be necessary for some additional evidence to be put forward, but it arises out of the need correctly to interpret the interrelated provisions of regulation 2392/89 and then to consider the position of an applicant for a trade mark under section 3(4)

In the broadest possible way, the argument does fall within the scope of the originally filed Statement of Case and grounds of appeal. Perhaps it is unfortunate that the pleading were not the subject of greater particularisation, so that one could have seen where the opponents were coming from. I am left firmly with the view that at the time the

pleading were drafted, the opponents did not know where they were coming from in relation to the interpretation of the Council regulation but having heard Mrs. Heal and having had experience of the difficulty of being totally certain as to what the correct interpretation of certain regulations are, I cannot be over critical. I believe it would be wrong in the exercise of my discretion to decline to allow this argument to be put forward. If the argument is an argument of substance, it has implications way beyond the ambit of this case and raises an issue which needs to be decided. Therefore, I think it should be decided in this case.

With reluctance, therefore, I have reached the conclusion that this argument should be allowed to be put forward. The reluctance is because I accept that it would be quite unjust to require Mr. Tritton to argue the case today, and that therefore an adjournment will be necessary. This reluctance is particularly acute in this case, since the original hearing date for this appeal was 14th October and the matter had to be adjourned for wholly unrelated reasons. I therefore propose to adjourn this hearing.

The final question is whether I should exercise my discretion now to refer this matter to the court. The power that I have to refer is in section 76 of the Act. Section 76.3 states: “Where an appeal is made to an appointed person, he may refer the appeal to the court if (a) it

appears to him that a point of general legal importance is involved, (b), the registrar requests that it be so referred or (c), such a request is made by any party to the proceedings before the registrar in which the decision appealed against was made. Before doing so the appointed person shall give the appellant and any other party to the appeal an opportunity to make representations as to whether the appeal should be referred to court."

The rules provide for time limits within which the parties should seek a reference so that delays do not occur. As I have indicated, it is my practice to look at the papers early to avoid delays as well. This does not mean that if in an appropriate case it becomes apparent at the hearing of the appeal that an important question of law has arisen, that a reference should not then be made.

In considering whether or not to make a reference, regard must be had not only to the importance of legal question, but also to the impact upon the parties of a reference to the court, involving as it does a significantly greater exposure to cost and expense and the possibility of further appeals. Mrs. Heal made it plain that her clients had elected to come before the appointed person because they wished finality to be achieved at the earliest possible date.

Mr. Tritton originally submitted that it would be right for me to refer this matter but in his reply, he suggested

that his position was one of neutrality. Neither counsel suggested that the that considerations of costs should weigh in the balance in this case.

The difficulty, as I see it, is this: the European Court of Justice in the **Borie Manoux** reference left open in paragraph 28 of their judgment, the question of, "whether a prohibition under Community law on the use of a brand name to describe wines means that it may not be registered as a mark in accordance with National law".

Mrs. Heal's contention, as I understand it, results in a submission that on its true interpretation, regulation 2392/89 does make it unlawful to use the words MezzaCorona as part of the description within article 12, and that accordingly the mark MezzaCorona cannot be registered as a trade mark. This seems to me to be precisely the question which was not answered in the previous reference.

This tribunal is a final tribunal. In theory, if it found a question of interpretation of Community law to be unclear so that a reference was necessary, I apprehend that the tribunal has the power to make a reference. I do not see that it is a power that would be lightly exercised, because it would be unusual that a question that required reference was not a point of general legal importance within the meaning of section 76.

If Mrs. Heal's argument on the interpretation of the

regulation is correct, I believe there is a real likelihood that the tribunal hearing this appeal will have to consider whether or not a reference is necessary in order to reach a concluding view. I say nothing at present as to the strength of the argument put forward by Mrs. Heal. That is a matter which will have to be assessed at the subsequent hearing, but the difficulties that arise out of that argument with regard to the interpretation of the regulation and the permissibility of registration of trade marks which may or may not be part of a description, raises significant difficulties. In all the circumstances, since there is to be an adjournment, I think it is right that I should refer this matter to the court for the court to conclude whether or not there is substance in Mrs. Heal's argument. I propose therefore to refer the appeal.

I am going to make no order as to the costs of today. I am going to reserve those to the High Court and the judge hearing the case can decide, having had the argument fully ventilated whether or not the argument should have been put forward and to assess what order as to costs incurred and thrown away by reason of the adjournment is proper.

In the light of the fact that there have been delays in this case, I will refer on condition that the case is referred by the first day of next term. The skeleton argument served by Mrs. Heal can stand as a skeleton argument

for the next hearing but I give leave, if necessary, to Mr. Tritton to serve a supplementary skeleton two days before the date fixed for the hearing of the appeal. If and in so far as Mr. Tritton wishes to seek leave to adduce further evidence, that is a matter which will have to be decided by the judge hearing the appeal. If his clients wish to seek to put forward any further evidence that should be served on the opponent well in advance of the date fixed for the hearing. There is already an application to adduce further evidence by Mrs. Heal and I apprehend that any application by Mr. Tritton would likewise be dealt with as a preliminary point at the resumed hearing in front of the High Court.

MRS. HEAL: Sir, would you formally make provision for me to reply to any evidence that is put forward by Mr. Tritton, because at the moment there is only the application by me to seek to adduce the fresh evidence that is already before you, but that may not necessarily deal with any matters raised in Mr. Tritton's new evidence.

MR. TRITTON: Sir, I prefer that in the sense that you have not given me permission today to file evidence, that these matters be put to the High Court. At the moment you said I should seek leave before the High Court judge, as I understand your judgment today.

THE APPOINTED PERSON: I will not give you carte blanche leave to put forward evidence which nobody has seen. I think

Mrs. Heal has a valid point, that there ought to be some time limits so that she has a proper opportunity to consider any evidence that you may wish to put forward. Plainly, I am keen that this matter should not be delayed and as I understand it, one has to take out an application of notice to get things moving, but even when one has done that there will be some delay. I am asking that the application notice goes in promptly. If you can get it in this week, so much the better, but certainly have it in by the first day of next term. I do not anticipate that there will be a hearing immediately thereafter. How long would you like?

MR. TRITTON: Forgive me for being a bit confused. Are you saying that I do have leave now to file further evidence, or are you saying that I should seek that leave from the judge hearing the ----

THE APPOINTED PERSON: You have to seek leave from the judge. What I am considering doing is putting a time limit by which you can supply evidence that you wish to Mrs. Heal, so that she will have a proper opportunity to respond to it before the date is fixed for the hearing.

MR. TRITTON: Even though it may not be allowed in?

THE APPOINTED PERSON: Yes. I am trying to avoid a further adjournment. How long would you like? The first day of term, I think, is 13th, which is a Monday.

MR. TRITTON: On the basis that this will not come on before

March, if my knowledge of the listing system is correct, I will ask for the end of that week.

THE APPOINTED PERSON: The first day of term is 13th, so I will give you the until Friday 17th to put before the other side any evidence which you might seek to put forward. How long would you like, Mrs. Heal, to deal with the possibility of evidence in reply?

MRS. HEAL: A further two weeks.

THE APPOINTED PERSON: You will have until 31st January and hence there will be no date fixed for hearing before 3rd February.

MRS. HEAL: Sir, I am obliged.

THE APPOINTED PERSON: Is that everything?

MRS. HEAL: Yes, I think it is.

THE APPOINTED PERSON: Thank you all very much.

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