

O-191-09

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2446363
BY VIÑEDOS Y BODEGAS ALCONDE SL TO REGISTER THE TRADE MARK**



IN CLASS 33

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 96623
BY LGI**

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IN THE MATTER OF Opposition thereto under No. 96623

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BACKGROUND

1) On 12th February 2007 Bodegas Virgen Blanca, SDAD. COOP of Ctra. Calahorra, s/no 31260 Lerin (Navarra) Spain applied to register the following trade mark:




2) The application was in respect of the following goods in class 33:

Alcoholic beverages, wines.

3) By Form TM21 filed on 17th July 2008, the registry was notified of a change of name of the proprietor from Bodegas Virgen Blanca to Viñedos y Bodegas Alconde SL (hereafter “Viñedos”), in whose name the application currently stands.

4) The application had been published on 14th December 2007 and on 14th March 2008, LGI of 44, rue de Strasbourg, F-11000 Carcassonne, France (hereafter “LGI”) filed notice of opposition to the application, based on their international registration 811380. The opposition was based on grounds under section 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The ground under section 5(4)(a) was subsequently withdrawn by letter dated 13th November 2008 and I need say no more about it.

4) The details of LGI’s mark are:

Trade Mark	International Filing date	Specification
	18 th September 2003	Class 33 Wine

5) LGI say the respective marks are similar, given that LAVILLA would be regarded as the distinctive element and differs in only one letter from LAVILA. The respective goods are identical and similar to the goods of LGI’s mark. LGI has used their mark extensively in the UK since April 2006 in relation to wine. They ask for refusal of the application and an award of costs.

6) Viñedos (under their old name) subsequently filed a counterstatement denying the grounds for opposition. They say that the earlier mark consists of a handwritten stylised script. The application is much more complex and when viewed as a whole, visually, phonetically and conceptually different from the earlier mark. They ask that registration be granted and costs awarded.

7) The matter proceeded to determination without evidence. Neither side wanted an oral hearing but LGI did file written submissions which I shall take into account in due course. This decision is taken from the papers.

DECISION

Section 5(2)(b)

8) The opposition is founded upon Section 5(2)(b) of the Act. This reads:

“(2) A trade mark shall not be registered if because –

(a)

(b) it is similar to an earlier trade mark and is to be registered for goods and services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

9) An “earlier trade mark” is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

Viñedos’s mark was filed on 12th February 2007 and LGI’s on 18th September 2003, being the date of international registration (see Schedule 2 para 2 to The Trade Marks (International Registration) Order 2008 (SI 2008 No. 2206) (hereafter “the International Order”). Being an international mark designating the UK, LGI’s mark is not technically “registered” in the same way a domestic application is, that is, in accordance with section 40 of the Act. Instead, and in accordance with the International Order (para 3(3)(e)), the term “registration” when used in relation to domestic provisions is taken to mean the “conferring of protection on an international registration” when applied to an international mark (UK). In the case of LGI’s mark, protection was conferred on 3rd April 2004, being the first day following the opposition period (see Schedule 2, para 6 of the International Order). This means that LGI’s mark is not subject to proof of use requirements in accordance with The Trade Marks (Proof of Use, etc.) Regulations 2004, as the “conferral of protection” took place within the period of five years prior to the date of publication of Viñedos’s mark. Plainly however, LGI’s mark is an earlier trade mark in accordance with section 6(1)(a) of the Act.

10) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the European Court of Justice (hereafter “ECJ”) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki*

Kaisha v Metro-Goldwyn-Mayer Inc [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 723, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P* (LIMONCELLO). It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel BV v Puma AG*,
- (g) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,
- (h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(i) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*

Comparison of goods

11) The respective goods are as follows:

Vañedos's goods (the application)	LGI's goods (the earlier mark)
Class 33 Alcoholic beverages, wines	Class 33 Wine

12) It will be appreciated that the scope of Vañedos's specification is not co-extensive with that of LGI. In respect of 'wine', plainly the goods are identical, but Vañedos's specification also contains alcoholic beverages at large, this being a broad 'portmanteau' term of which 'wine' (being alcoholic wine) would comprise a subset or sub-category. The approach I shall take to determine whether the goods are 'identical' accords with that taken in OHIM (see Decisions 1033/2003 and 1978/2004, by way of example) and the European Court of First Instance (CFI) in *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-133/05, where, at para 29, it is stated:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

13) I might add that such an approach to ‘identical’ accords also with *Kerly’s Law of Trade Marks and Trade Names (“Kerly’s”)*, 13th Edition, which states at para. 8-10:

“... the goods or services must be the same as those the subject of the earlier trade mark. Although not explicit, it would seem that this provision can only sensibly be interpreted as prohibiting registration where there is an overlap of goods or services.”

14) Finally on this matter, I should mention that the OHIM, CFI and *Kerly’s* approach has also been expressly endorsed by Professor Ruth Annand, sitting as the appointed person, in BL O/269/04, *Galileo International Technology LLC v Galileo Brand Architecture Limited*, (see para 13 and following).

15) Adopting this approach, I find that the both parties’ respective goods are self-evidently identical.

The average consumer and the buying process

16) As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who the average consumer is for the respective goods at issue.


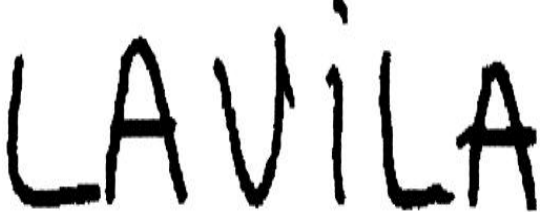
17) The average consumer of both parties’ goods will be the general public, specifically the wine and alcohol consuming public. Thus the average consumer for both parties’ goods will come from the same group.

18) As to the buying process for the respective goods of both parties, the consumer, being the general public, will be reasonably well-informed and reasonably circumspect and observant. Wine is purchased predominantly through a supermarket or off-licence where self selection will be the predominant method used. It is also of course purchased in bars and restaurants to drink with a meal or on its own, where aural use (sometimes prompted by a wine menu) may well predominate. The knowledge a consumer will bring to the process will also vary, as will the prices paid. Some members of the public are far more

knowledgeable than others in this field. The fact that television programmes are made on the subject, books and articles written and expert reviews on wines are published in a variety of sources demonstrates, of itself, that a wide section of the public are interested in the subject of itself and are likely to bring a good degree of product knowledge to bear, even where modestly priced wines are concerned. That said, I think it would be wrong for my purposes to take the average consumer to be a wine 'expert', familiar for example with all the different designations of origin (I use the term 'designations of origin' in a general rather than legal sense) and the respective characteristics and properties of the wines, made and used by producers. Rather, I think the average consumer may well have a general awareness of the various countries in which wine is produced and again, in only general terms, the respective qualities such wine may possess. They may well have developed their own, but not necessarily extensive, brand awareness, as a result of which particular favourites will emerge. On that basis I believe that the selection will be a more considered one than say a bag of sweets, which is often used as an example of an inattentive purchase, even for lower priced wines. The consumer will mostly be left to their own devices in the selection, but in a restaurant can expect some assistance from the waiting staff.

Comparison of marks

19) The respective marks are as follows:

Vañedos's mark (the application)	LGI's mark (the earlier mark)
	

20) Visually, Vañedos's mark presents as a complex mark having a number of distinguishable elements. Firstly, there is the elaborate and florally ornate upper portion containing within it a historical portrait of a moustachioed person. The words which surround the portrait are legible on the original version and read "Cristobal Aldeaza De Morantin, 1892 1954". The second element comprises the words "Marqués Lavilla" in large, red fancy script. Finally, beneath those words there is what appears to be a depiction of a house, under which a plain black

border appears. LGI's mark simply comprises the word "LAVILA" in upper case and in handwritten script. Plainly there are significant visual differences between the two marks which cannot be ignored. Whilst it is important not to dissect marks but to treat them as totalities, it is nevertheless important also to recognise that not all the elements of Vañedos's mark will have equal visual impact. The ornate portion (including the portrait) and the drawing of the house would, in my view, have less impact (being decorative) than the words "Marqués Lavilla", which are centrally placed and stand out. I have not overlooked the fact that LAVILLA is spelt with three 'l's in one mark and only two in the other. To the average consumer this is not a visual difference which will make an impact in the course of trade, where marks are not always available to be compared side by side. Taking all things together, I conclude that there is a degree of visual similarity between the respective marks.

21) Aurally, the verbal elements of each mark are likely to be pronounced by the UK consumer as follows: LA-VILL-A or LA-VEE-YA in relation to LGI's mark. The "LAVILLA" element of Vañedos's mark will be pronounced in the same way, notwithstanding that there are two 'L's, rather than one as in LGI's mark. The "MARQUÉS" element is most likely to be pronounced, if at all, by the UK consumer, as one of the following: "MARK-ES", "MARK-ETH", "MARK-IS" or "MAR-KWISS". This variety of possible pronunciations reflects the fact that it is clearly a foreign word with which the UK consumer may well be unfamiliar. Given that unfamiliarity it is entirely plausible that the word "MARQUÉS" in Vañedos's mark will not be pronounced at all, especially in the informal context of ordering the drink in a bar or restaurant. For this reason I conclude that, aurally, the marks are similar. For the benefit of any doubt, I would have found similarity even without my tentative view on whether the word MARQUÉS would be pronounced at all and this is because there is a 'shared' element – "LAVILLA" or "LAVILA" – which (whether with one 'L' or two in the middle) will be pronounced in the same way.

22) Conceptually, I do not believe any particular concept can be said to attach to the word only mark "LAVILA". For the UK consumer it is not obviously derived from another word and without any additional contextual matter, there is nothing to suggest to the UK average consumer that it is anything other than an invented, or foreign word, of unknown meaning. In relation to Vañedos's mark, I have to look at the impact of the whole mark, and especially whether (in the context of the whole mark) the preceding word "MARQUÉS" imbues the word "LAVILLA" with any particular meaning. My view on this is that the UK consumer will attribute some kind of descriptive or qualifying capacity to the word "MARQUÉS". I see two possibilities here. The first is that the words "MARQUÉS LAVILLA" may be seen vaguely as "(The mark of)" LAVILLA, with the word MARQUÉS having no more defining or specific quality than that of indicating that the word which follows, LAVILLA, is a trade mark. The second is that the words may be seen as relating to the title of the gentleman in the portrait. In the context of the mark as a whole, coupled with the fact it would be unusual to precede a trade

mark with an announcement that it is such, I think it far more likely that the UK consumer will see the words “MARQUÉS LAVILLA” as referring to the title (in the UK, “Marquess”) of the person in the portrait. This conclusion is unaffected by the presence in the mark of the gentleman’s full name which surrounds the portrait. Insofar as there may be said to be any ‘concept’ in relation to the verbal element of Vañedos’s mark, I think it can reasonably be said that in its overall context, the words “MARQUÉS LAVILLA” will convey the meaning of a title – the Marquess of Lavilla. This conclusion does not mean that the respective marks can be said to be conceptually different as LGI’s mark has no obvious conceptual meaning at all. The finding I must make is that, conceptually, the marks can be said to be neither similar nor dissimilar. Once again, I would add I would have made the same ‘neutral’ finding even if I had come to the view that, to the average UK consumer the words “MARQUÉS LAVILLA” have no possible meaning or concept whatsoever.

Likelihood of confusion

23) My various findings need now to be factored into an overall global assessment. But before doing so I need to assess the distinctive character of the earlier mark.

Distinctiveness of the earlier mark

24) LGI’s mark consists of a single word which has no obvious, conceptual derivation or linguistic meaning as far as the UK consumer is concerned in relation to wines. It may be said that it has a vaguely ‘foreign’ feel about it but beyond that it is impossible to attribute any definite significance or message. On that basis the mark must be viewed as inherently highly distinctive. Although use by LGI is claimed since 2006, there is no evidence to support the claim and accordingly I can only take into account the inherent distinctiveness of LGI’s mark.

Comparison with a complex mark

25) Vañedos’s mark is, as I have said, a complex mark having a number of elements to it. A purely visual analysis of the mark does not necessarily answer the question as to which of those elements may be regarded by the consumer as being the dominant and distinctive element as far as designating origin is concerned. This is a very important question as far as the case-law of the ECJ is concerned. I note that the submissions by attorneys for LGI alert me to case C 120/04, *Medion AG v Thomson Multimedia Sales Germany and Austria GmbH (“Medion”)* (to which I have already referred in my summary at para 10 above). It is worthwhile quoting this case at length. Paras 28 – 33 read as follows:

- “28 The global appreciation of the likelihood of confusion, in relation to the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global appreciation of that likelihood of confusion. In this regard, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see, in particular, *SABEL*, paragraph 23, *Lloyd Schuhfabrik Meyer*, paragraph 25, and *Matratzen Concord*, paragraph 29).
- 29 In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).
- 30 However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.
- 31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.
- 32 The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.
- 33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant. “

26) One of the conclusions from this case I can draw is that whilst I am expected to undertake a global assessment without dissection of the relevant marks, I am nevertheless entitled to conclude that one (or more) of the elements within a composite mark possesses a distinctive and dominant position (in trade mark terms), such that likelihood of confusion can arise where that element alone (or something similar) is shared with another mark. In other words, the presence of other (whether distinctive or not) elements within a composite mark cannot avoid likelihood of confusion. I should stress at this point that in no way would I wish to ignore or deny the possibility that Vañedos's mark may contain more than one independently distinctive and non-negligible element. Moreover I have to be careful here that it is entirely possible that the presence and content of other elements may impact upon the distinctive and dominant element(s), such that a meaning or different meaning (from that of the other mark) is conveyed. With these important qualifying comments in mind, I have no doubt that in this case the distinctive and dominant (trade mark) element in Vañedos's mark is the verbal element "MARQUÉS LAVILLA". All other elements will, within the totality of Vañedos's mark, be seen by the average consumer as decoration or in some way descriptive (the ornate floral pattern, the house and the portrait). My analysis and conclusion is thus restricted to the impact of this verbal element in Vañedos's mark, as compared to LGI's mark.

27) Taking that verbal element within the context of the overall mark, my conclusion earlier was that the words "MARQUÉS LAVILLA" would be 'linked' with the most likely meaning relating to the title of the person in the portrait. This conclusion renders the word "MARQUÉS" as being secondary to, and in some way descriptive of, the second word "LAVILLA". To the UK consumer, it is thus the word "LAVILLA" which serves as the primary indicia of origin. It is worth observing also that the word "MARQUÉS" looks like, and may be pronounced in the same way as "MARQUESS" in English, even without the contextual prompt of the portrait. In making this observation I nonetheless appreciate it is both unsafe to assume the average UK consumer would know what "MARQUÉS" means, and it would not be consistent with case-law to isolate elements outside their overall context. I am confident however that within the context of the mark as a whole, taken together with the 'look and feel' of the words, it is the word "LAVILLA" in Vañedos's mark which will 'dominate' and be used by the average UK consumer as the primary source identifier.

28) It is worth adding that in a less likely scenario where the words "MARQUÉS" and "LAVILLA" are not 'linked' in any way by the UK consumer, I would be obliged to conclude, in accordance with *Medion*, that "LAVILLA" has independently distinctive meaning and thus likelihood of confusion with "LAVILA" solus will be inevitable for identical goods. I say this scenario is less likely, especially as the words are not separated in any way, appearing in the same script the one following the other and in this way the average consumer, whilst they may not be able to comprehend exactly what the words mean, they will nonetheless assume them to be linked. My conclusion is that the result is the

same whether I am comparing “LAVILA” with “LAVILLA” or “LAVILA” with, in the context of the mark as a whole, “MARQUÉS LAVILLA”.

Conclusion

29) Weighing all my findings above in the global assessment under section 5(2)(b), and assuming imperfect recollection, I find that there is a likelihood of confusion. The factors that weigh especially in this case are the identical nature of the goods and the highly distinctive nature of “LAVILA”.

30) It is further noted that for the purposes of assessing likelihood of confusion under section 5(2)(b), ‘confusion’ may be direct (mark for mark), or indirect (even though the consumer may not confuse the marks directly he or she may believe that goods sold under the respective mark may emanate from the same source). In this case, my view would be that the case is made out whether one is considering direct or indirect confusion.

Costs

31) The opposition has succeeded in its entirety and therefore LGI is entitled to a contribution towards its costs. I award them costs on the following basis.

Filing opposition, preparing statement of case and considering counterstatement - £ 500
Preparing submissions - £500

Total - £1,000

32) I order Viñedos y Bodegas Alconde SL to pay LGI the sum of £1,000. This should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th Day of July 2009

**Edward Smith
For the Registrar,
the Comptroller-General**