

**O/022/19**

**TRADE MARKS ACT 1994**

**CONSOLIDATED PROCEEDINGS**

**IN THE MATTER OF APPLICATION NOS. 3227354 AND 3229123**

**BY DRINQ LTD FOR THE TRADE MARK**



**IN CLASSES 31, 32 AND 33**

**AND**

**FrÜsecco**

**IN CLASSES 1, 32, 33 AND 35**

**AND**

**THE OPPOSITIONS THERETO UNDER NUMBERS 410014 AND 410008**

**BY CONSORZIO DI TUTELA DELLA DENOMINAZIONE DI ORIGINE**

**CONTROLLATA PROSECCO**

## Background

1. On 24 April 2017, DRINQ Ltd (“the applicant”) filed trade mark application number 3227354 for the mark and goods shown below:



Class 31: *Malt.*

Class 32: *Beers; mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices.*

Class 33: *Alcoholic beverages (except beers).*

2. The application was accepted and published in the *Trade Marks Journal* for opposition purposes on 12 May 2017.

3. On 5 May 2017, the applicant filed trade mark application number 3229123 for the mark FrÜsecco, in respect of the following goods and services:

Class 1: *Alcohol.*

Class 32: *Alcohol free wine; Alcohol free beverages; Alcohol-free beers.*

Class 33: *Sparkling wine; Alcoholic energy drinks; Low alcoholic drinks; Alcoholic beverages except beers; Alcoholic beverages (except beers); Alcohol (Rice -); Alcoholic fruit extracts; Alcoholic cordials; Alcoholic punches; Alcoholic beverages of fruit; Alcoholic fruit beverages; Alcoholic fruit cocktail drinks.*

Class 35: *Wholesale services in relation to preparations for making alcoholic beverages; Wholesale services in relation to alcoholic beverages (except beer).*

4. The application was accepted and published on 19 May 2017.

5. Consorzio di Tutela della Denominazione di Origine Controllata Prosecco (“the opponent”) opposes the application under sections 3(3)(b), 3(4), 3(6), 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opponent is the organisation responsible for the protection and promotion of the Protected Designation of Origin (“PDO”) PROSECCO.

6. Section 5(2)(b) is based upon the opponent’s collective mark shown below, on the basis that there is a likelihood of confusion between the marks. Under Section 5(3), also based on the mark shown below, it is claimed that the applications would bring the opponent’s mark to mind, resulting in dilution and/or tarnishing of the opponents’ mark, or that the reputation of the opponent’s mark would give the applicant an unfair advantage:

EU collective mark 11619764, registered on 30 July 2013, for goods and services in classes 3, 14, 16, 18, 25, 33, 35 and 41:



7. Under section 5(4)(a) of the Act, the opponent claims that it and its members have goodwill attached to PROSECCO, which the opponent claims has been used throughout the UK since December 2009 in relation to “wines; sparkling wines; development and support of information, educational, cultural and sporting initiatives and events to promote Controlled Designation of Origin Prosecco and the related Designation of Origin and to promote its image and reputation.” The opponent claims that use of the applicant’s marks is liable to be prevented under the law of passing off.

8. Under section 3(3)(b) of the Act, the opponent claims that the marks will deceive the public as to the quality, characteristics and origin of the Applicant's goods (it does not refer to services), and to make them believe that the goods offered under the marks are in some way compliant with or licensed by the PDO.

9. Under section 3(4) of the Act, the opponent claims that registration should be refused by virtue of articles 102 and 103(2) of Regulation 1308/2013 of the European Parliament and Council.

10. Under section 3(6) of the Act, the opponent claims that the marks were filed in bad faith "for opportunistic reasons in the full knowledge that consumers will associate the Opposed Mark[s] with the PDO PROSECCO and with the reputation enjoyed in the UK."

11. The applicant filed a defence and counterstatement, denying all the grounds. The applicant states that SECCO is the only common element and that this is a common Italian word meaning 'dry' (a print from the online version of Collins English Dictionary, showing a translation to English from Italian for 'secco' is attached to the counterstatement). The applicant states that it intends to use its marks in relation to a canned product which will be marked "Made with Spanish Cava".

12. The opponent filed evidence. A hearing took place on 7 December 2018 at which the opponent was represented by Ms Fiona Clark, of Counsel, instructed by Bird & Bird LLP. Mr Christopher Jones represented the applicant.

## **Evidence**

13. The opponent's evidence comes from its President, Mr Stefano Zanette. His witness statement is dated 6 March 2018. Mr Zanette gives evidence about the history and background to the PDO:

- PROSECCO is a PDO which means that it is reserved for wines that meet the conditions and requirements of the PDO: it applies exclusively to wines that

derive from a specified grape-growing area in North East Italy and must be made, chiefly, from the Glera grape.

- Prosecco must be marketed in glass bottles, with strict labelling requirements.
- Between 2010 and 2014, exports of Prosecco to the UK rose from 113,780 to 486,644 hectolitres. In 2015, the UK accounted for 35.1% of the export market for Prosecco.
- In August 2015, The Telegraph reported that sales of Prosecco had overtaken champagne in the UK for the first time, jumping 72% in that year<sup>1</sup>.

14. At the hearing, Mr Jones accepted that PROSECCO has a reputation in relation to sparkling wine, although I did not understand that to go as far as an acceptance that the collective mark (relied upon for sections 5(2)(b) and 5(3)) has a reputation in the UK. I will come back to the point later in this decision.

## **Decision**

### **Section 3(4)**

15. Section 3(4) of the Act provides for the refusal of a trade mark if its use in the UK would be preventable by any enactment or rule of law, or by any provision of EU law. The laws said to prohibit the use of the mark are articles 102 and 103(2) of Regulation 1308/2013 of the European Parliament and Council. These regulations govern the use of PDOs for wine and the relationship between them and trade marks. There is no dispute that Prosecco is a PDO and that it was protected before the date that the applied for mark was filed.

16. At the hearing, Ms Clark confirmed that she would focus upon Article 103 of the Regulation.

17. Article 103 of the Regulation provides:

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<sup>1</sup> Exhibit sZ11.

## “Article 103 Protection

1. A protected designation of origin and a protected geographical indication may be used by any operator marketing a wine which has been produced in conformity with the corresponding product specification.

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.”

18. Article 103(2)(a) refers to “any direct or indirect commercial use of that protected name” (my emphasis). The PDO is “that protected name”, but since the applied-for marks do not consist of or contain the PDO, article 103(2)(a) does not apply.

19. However, article 103(2)(b) refers to “any misuse, imitation or evocation [of the PDO]”, which is of wider application. The nature of evocation was described by the Court of Justice of the European Union (“CJEU”) in *Consorzio per la Tutela del Formaggio Gorgonzola*, Case C-87/97, [1999] ETMR 454:

“25 ‘Evocation’, as referred to in Article 13(1)(b) of Regulation No 081/92, 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.

26 As the Advocate General states in points 37 and 38 of his Opinion, it is possible, contrary to the view taken by the defendants, for a protected designation to be evoked where there is no likelihood of confusion between the products concerned and even where no Community protection extends to the parts of that designation which are echoed in the term or terms at issue.”

20. The applications include goods which are wine or of a similar nature to wine, or are non-alcoholic beverages (which includes de-alcoholised wine), and wholesale services in relation to preparations for making alcoholic beverages and to alcoholic beverages (except beer). Given the reputation and prevalence of Prosecco in the UK at the relevant dates, I think it likely that the PDO will be evoked in relation to these goods and services. The opponent’s case is stronger in relation to the LoSecco mark, where the connotation is a low-alcohol or low-sugar beverage which is like (or imitates) Prosecco, but I think it also applies to the FrÜsecco application. There is no evidence that the average UK consumer will approximate -SECCO to ‘sec’ or any other foreign word derivative meaning ‘dry’, rather than evoking Prosecco. The similarity to the PDO is not, in any event, limited to the suffix SECCO. LoSecco as an ‘o’ immediately before -SECCO, as does the PDO, and FrÜsecco has ‘r’ as the second letter, as does the PDO. At the relevant dates, the

connotation of a word ending in 'secco', in relation to beverages, will have been to trigger an image of Prosecco (without confusion as to trade origin being necessary for that to happen). The fact that the applicant intends to label the goods as being made with Spanish cava does not improve its position since the wording of Article 103(2)(b) makes it clear that evocation can occur even if the true origin of the product or service is indicated.

21. Paragraph 97 of the recital to the Regulation states:

“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.”

22. Taking unfair advantage of reputation was described by the CJEU in *L’Oreal SA and others v Bellure NV and others*, Case C-487/07:

“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.”

23. I consider that the applicant will gain a marketing advantage from the use of its marks which I have found evoke the PDO in relation to comparable products because the marks will appear instantly familiar to the relevant public. I find that the section 3(4) ground succeeds against the following goods, which are all beverages or the wholesale of alcoholic beverages and preparations for making alcoholic beverages:



(i) 3227354

The logo for LoSecco, featuring the word "LoSecco" in a white, serif font, set against a black rectangular background.

Class 32: *Beers; mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices.*

Class 33: *Alcoholic beverages (except beers).*

(ii) 3229123

FrÜsecco

Class 32: *Alcohol free wine; Alcohol free beverages; Alcohol-free beers.*

Class 33: *Sparkling wine; Alcoholic energy drinks; Low alcoholic drinks; Alcoholic beverages except beers; Alcoholic beverages (except beers); Alcohol (Rice -); Alcoholic fruit extracts; Alcoholic cordials; Alcoholic punches; Alcoholic beverages of fruit; Alcoholic fruit beverages; Alcoholic fruit cocktail drinks.*

Class 35: *Wholesale services in relation to preparations for making alcoholic beverages; Wholesale services in relation to alcoholic beverages (except beer).*

24. This leaves *malt* in class 31, and *alcohol* in Class 1. Malt is a very different substance to a drink. It seems to me a step too far to conclude that the image of Prosecco would be triggered when the applicant's LoSecco mark is encountered in relation to malt. I also find that there would be no evocation of Prosecco when the applicant's FrÜsecco mark is encountered in relation to Class 1 alcohol. This is not

alcohol for consumption: it is alcohol for use in industrial and chemical applications<sup>2</sup>. There would be no evocation of the PDO for either malt or this type of alcohol and no advantage gained for the applicant. The section 3(4) ground fails in relation to malt in class 31 and alcohol in class 1.

25. I will limit my consideration of the other grounds of opposition to malt in class 31 and alcohol in class 1.

### **Sections 3(3)(b) and 3(6)**

26. Section 3(3)(b) of the Act states:

“A trade mark shall not be registered if it is:

(a) ...

(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).”

27. In *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd* Case C-259/04, the CJEU stated:

“47 Nevertheless, the circumstances for refusing registration referred to in Article 3(1)(g) of Directive 89/104 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (Case C-87/97 *Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301, paragraph 41).”

28. Section 3(6) states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

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<sup>2</sup> The class number is relevant to the interpretation of the scope of the goods: *Pathway IP SARL v Easygroup Ltd* [2018] EWHC 3608 (Ch).

29. The section 3(6) ground is predicated upon a claim that the marks have been applied for “for opportunistic reasons in the full knowledge that consumers will associate the Opposed Mark[s] with the PDO PROSECCO and with the reputation enjoyed in the UK.”

30. Since I have found that the marks are not liable to evoke the PDO, it follows that the marks will not be deceptive; nor is there a sufficiently serious risk that the consumer will be deceived. On the same logic, the section 3(6) ground must also fail because consumers will not associate the applicant’s marks with the PDO. The section 3(3(b) and 3(6) grounds both fail in relation to malt in class 31 and alcohol in class 1.

### **Section 5(2)(b) of the Act**

31. This ground is based upon the opponent’s collective mark shown in paragraph 6 of this decision. Section 5(2)(b) of the Act states:

“(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 or 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.”

32. The following principles are gleaned from the decisions of the CJEU in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson*

*Multimedia Sales Germany & Austria GmbH, Case C-120/04, Shaker di L. Laudato & C. Sas v OHIM, Case C-334/05P and Bimbo SA v OHIM, Case C-591/12P.*

### **The principles**

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, 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, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) 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;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

#### Comparison of goods and services

33. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

34. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks*

and Designs) (OHIM) Case T-325/06, the General Court (“GC”) stated that “complementary” means:

“82 ... there is a close connection between [the goods], in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”.

35. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

36. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

37. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

38. The opponent relies upon all the goods and services of its collective mark. Whilst at the hearing Ms Clark chose to focus upon the opponent's goods in class 33, I note that at no point was the scope of the objection under section 5(2)(b) reduced so as to rely upon less than the full width of the opponent's protected goods and services. I have set them out here. It is plain that there is no similarity whatsoever between any of the goods and services of the applications, including those for which the section 3(4) ground succeeded, when compared to the opponent's goods in classes 3, 14, 16, 18, 25, 35 and 41.

Earlier mark	Applications
<p>Class 3: <i>Perfumery; Ethereal oils; Cosmetics; Hair lotions.</i></p> <p>Class 14: <i>Costume jewellery and jewellery; Cuff links, tie clips and pins; Medallions, Ornamental novelty badges, Buckles, Buttons, studs, Key rings, Coasters, Paper weights, All of the aforesaid goods made of precious or semi-precious metals, or coated therewith; Watches, pocket watches and clocks.</i></p> <p>Class 16: <i>Stationery, Printed matter, Pictures, Photographs, Posters, Newspapers, Reviews, Comic booklets, Printed publications, Handbooks [manuals], Catalogues, Calendars, diaries; Stickers, transfers; Books, Periodical, Booklets, Pamphlets.</i></p> <p>Class 18: <i>Leather and imitations of</i></p>	<p>Class 1: <i>alcohol</i></p> <p>Class 31: <i>malt</i></p>

*leather, and goods made of these materials and not included in other classes; Animal skins, hides; Trunks and travelling bags; Umbrellas and parasols; Walking sticks; Whips, harness and saddlery; Luggage and cases; Rucksacks and knapsacks; Handbags, Purses, Sling bags, Sportsbags, School bags, school satchels,, Writing set cases; Parasols and umbrellas; Wallets, book covers and key fobs, all of leather or imitation leather.*

*Class 25: Clothing, footwear, headgear.*

*Class 33: Prosecco.*

*Class 35: Promotions which aims to raise awareness of Controlled Designation of Origin Prosecco produced by individuals in a production chain in accordance with the Rules of Production of Controlled Designation of Origin Prosecco and of this Controlled Designation of Origin, including attendance at trade fairs and organisation of publicity and promotional campaigns and by means of sponsorship agreements relating to commercial events; Development and support of commercial initiatives and events to promote Controlled Designation of Origin Prosecco and its image and reputation;*



*Promotion of Prosecco and of Controlled Designation of Origin Prosecco by means of sponsorship agreements relating to informational, educational, cultural and sporting events.*

*Class 41: Organisation of trade fairs, Publishing services (including electronic publishing services), expositions, Seminars, Round tables, Cultural activities; Development and support of information, educational, cultural and sporting initiatives and events to promote Controlled Designation of Origin Prosecco and the related Controlled Designation of Origin and to promote its image and reputation.*

Malt in class 31 against Prosecco in class 33

39. Prosecco is a type of wine (most typically sparkling, but the opponent's evidence shows that there is a still version). Malt is a cereal product. Whilst I am aware that malt is used in the production of beer and whisky, there is no evidence that malt is used in the production of Prosecco. The goods do not share nature, purpose or method of use. They are not found in shared distribution channels or nearby to one another in retail establishments. They are not in competition and are not complementary. They are not similar.

Alcohol in class 1 against Prosecco in class 33

40. Alcohol in class 1 is for use in industrial and chemical applications. It is not for consumption. Prosecco contains alcohol, but it is not pure alcohol. It is a drink. The goods do not share nature, purpose or method of use. They are not found in shared distribution channels or nearby to one another in retail establishments. They are not

in competition. They are also not complementary. There is no evidence that pure alcohol is added to other ingredients to make Prosecco, in fact quite the reverse: grapes are fermented to produce the alcohol in Prosecco as a complete product. There is no similarity between the goods.

41. Without similarity between goods and services, there can be no likelihood of confusion. However, in case I am wrong and there is a scintilla of similarity, I will go on to make a global assessment as to whether there is a likelihood of confusion.

#### Average consumer and the purchasing process



42. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. Malt, and pure alcohol for industrial and chemical uses, would seem to be of relatively low cost and would cause an average level of attention to be paid in their purchase. They are likely to be predominantly visual purchases via physical shelves, catalogues or a website. The same is true of the purchase of Prosecco, which is not an expensive product. I do not ignore the potential for an aural aspect to the purchasing process, but I think that the consumer is likely to see the bottle as part of that process, even if there is a verbal request for it.

#### Comparison of marks

43. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

44. It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

Opponent's mark	Applicant's marks
	

45. The applicant's LoSecco mark is essentially a word mark. The background is black so as to achieve visibility of the white letters. There is something of a 3-dimensional look to the background, but it is the word LoSecco which dominates the overall impression of the mark. The FrÜsecco mark consists of this element alone, which provides the mark with its overall impression.

46. The opponent's mark is complex. The eye is drawn to the distinctive central device which dominates the overall impression of the mark, both in terms of size and position. The words encircling the device play a somewhat lesser role, but are still significant within the overall impression.

47. The only point of visual and aural similarity is the common presence of -secco in each mark. Given the visual complexity of the collective mark and the differing beginnings of the '-secco' words in the parties' marks, there is little visual similarity between them. There is more aural similarity, particularly in relation to LoSecco, which rhymes with Prosecco. I find that there is a good level of aural similarity between the collective mark and LoSecco, and a low degree of aural similarity between the collective mark and FrÜsecco.

48. The collective mark has no real concept, other than a reference to wine glasses in the central device component. The applicant's marks are invented words, and the presence of the umlaut in FrÜsecco gives the impression of a foreign word. There is no conceptual similarity between the marks.

#### Distinctive character of the earlier mark

49. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*<sup>3</sup> the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested

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<sup>3</sup> Case C-342/97

by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

50. One of the principles which must be taken into account in deciding whether there is a likelihood of confusion is that there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it. With this in mind, I need to assess whether the use made of the collective mark has improved its inherent distinctiveness level. The relevant dates for this assessment are the filing dates of the contested applications.

51. Whilst it is accepted by the applicant that the PDO itself has a reputation, there is very little evidence showing the collective mark in use. The only time something similar appears is in the opponent’s brochures called “Recognizing Prosecco” (Exhibit SZ6), and in an alert by Coventry Trading Standards (undated) regarding the sale of fake Prosecco on tap (Exhibit SZ7), but what is shown in these exhibits is not the same as the collective mark. The opponent is not entitled to claim that the distinctiveness of the collective mark has been enhanced in the UK through use.

52. The mark is inherently distinctive to a good degree, owing to the complex wine glass arrangement, encircled by the repetition of the words PROSECCO PDO DOC.

#### Likelihood of confusion

53. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. I have found that there is no similarity between the opponent’s Prosecco and the applicant’s malt in class 31 and alcohol in class 1. For the avoidance of doubt, the

opponent would not be in any better a position with regard to its other goods and services. Without similarity of goods, there can be no likelihood of confusion; however, I said earlier that I would consider the matter in the event that there is a scintilla of similarity between the goods.

54. As found under section 3(4), if the applicant's marks were to be met in the context of beverages, they will evoke the concept of Prosecco on account of their endings, which are not commonly found in English words, and because the PDO itself has a strong reputation in the UK. However, in relation to malt and alcohol for industrial applications there is so little (or no) similarity between the goods that it is highly unlikely that the average consumer would believe that the goods come from the same or a related economic undertaking (or from a member of the collective). There is no likelihood of confusion. The section 5(2)(b) ground of opposition fails.

### **Section 5(3) of the Act**

55. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

56. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oreal v Bellure NV*, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark 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. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

57. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that its mark is similar to the applications. Secondly, that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the later marks. Fourthly, assuming that the first three conditions have been met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods and services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

58. Although there is some similarity between the marks, it will be apparent from my findings above that the evidence is slight in relation to the collective mark. This



ground of opposition fails because the opponent has not established the required reputation; certainly not to the level required to overcome the dissimilarities between Prosecco (class 33) and malt (class 31), and alcohol (class 1), causing a link to be made by UK consumers; and still less for any damage to occur. The section 5(3) ground fails.

### **Section 5(4)(a) of the Act**

59. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

60. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

61. Goodwill is usually attached to a business, but the courts have, for a long time, recognised so-called extended passing off; i.e. deceptive use of names which are distinctive of a class of products<sup>4</sup>. On the evidence, Prosecco appears to be such a name.

62. The net effect of the last sentence of section 5(4) of the act and the Relative Grounds Order 2007<sup>5</sup> is that a party must be entitled to bring passing off proceedings. The courts have stated that a trade association which does not itself trade in the relevant goods has no legal standing to bring a passing off action in its own name<sup>6</sup>, without joining at least one of its members. The essential point is that one of the opponents must have a share of the goodwill to bring the claim.

63. The present opponent is a trade association and there is no evidence that it trades in Prosecco (the wine) (as opposed to its members conducting such trade). It cannot, therefore, bring the claim on the basis of a claimed goodwill in relation to the product Prosecco. However, the evidence shows the opponent does, itself, provide services in the UK to promote and safeguard the PDO, in relation to which it may own goodwill and may sue in its own right, although the evidence is underwhelming. This is 'classic' passing off, rather than extended passing off; i.e. that there is a misrepresentation that the applicant's goods and services are connected to the activities of the opponent.

64. I have considered whether, if the opponent had been able to rely upon goodwill in relation to Prosecco (the wine), the passing off claim would have succeeded against the applicant's remaining goods, malt in class 31 and alcohol in class 1. I do

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<sup>4</sup> *Erven Warnink B.V. and Another v J. Townend & Sons (Hull) Ltd and Another (Advocaat)* [1980] RPC 31, HL.

<sup>5</sup> S.I. 2007/1976

<sup>6</sup> *Chocosuisse Union des Fabricants Suisse de Chocolat v Cadbury Ltd* [1999] RPC 826 CA.

not think that it would have succeeded; at the very most, there would be mere 'wondering if' rather than 'assuming' that there is an economic connection between the parties, which is not enough for a successful passing off claim<sup>7</sup>. If there had been merit to the claim based upon the Prosecco goods, compared to malt (class 31) and alcohol (class 1), it would have been appropriate to consider whether the opponent should be given the opportunity to join further parties to the opposition who are entitled to bring an action for passing off.

65. I also find that, assuming the opponent is entitled to rely on goodwill attached to its own business activities as a trade association, it is even less likely that there would be deception arising from the applicant's use of its marks in relation to malt in class 31 and alcohol in class 1.

66. The section 5(4)(a) ground of opposition fails.

### **Overall outcome**

67. The oppositions have been successful except in relation to malt in class 31 and alcohol in class 1. The applications may proceed to registration as follows:

(i) application 3227354 in Class 31 for *malt*.

(ii) application 3229123 in Class 1 for *alcohol*.

68. The applications are refused for all the other goods and services.

### **Costs**

69. The opponent has been largely successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. Taking into account the economies produced by consolidation, and the slight success of the applicant, I award costs to the opponent as follows:

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<sup>7</sup> *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 CA.

Official fees for the two oppositions	£400
Filing the oppositions and considering the counterstatements	£400
Filing evidence	£500
Preparing for and attending a hearing	£800
Total	£2100

70. I order DRINKQ Ltd to pay to Consorzio di Tutela della Denominazione di Origine Controllata Prosecco the sum of **£2100**. This sum is to be paid within 14 days of the expiry of the appeal period or within 14 days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 14<sup>th</sup> day of January 2019**

**Judi Pike**  
**For the Registrar,**  
**the Comptroller-General**