

O/617/21

TRADE MARKS ACT 1994

**IN THE MATTER OF
TRADE MARK APPLICATION NO. 3473626
IN THE NAME OF Horizons Group (London) Limited
FOR THE TRADE MARK:**

REVOLUTION

IN CLASS 33

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 000420769
BY TEQUILA REVOLUCION S.A.P.I. DE C.V.**

BACKGROUND AND PLEADINGS

1. On 09 March 2020, Horizons Group (London) Limited (“the applicant”) applied to register the trade mark

REVOLUTION

for the following goods:

Class 33: *Alcoholic drinks (except beer); distilled spirits.*

2. The application was published for opposition purposes on 24 April 2020.¹

3. The application is opposed by TEQUILA REVOLUCION S.A.P.I. DE C.V. (“the opponent”). The opposition was filed on 23 July 2020 and is based upon Section 5(2)(b), Section 5(3), and Section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opposition is directed against all of the goods in the application.

4. For the purpose of its claim under Section 5(2)(b) and Section 5(3), the opponent relies upon the following mark:

TEQUILA REVOLUCION²

EU Registration No. 009214404³

EU Registration date: 25 March 2011

Registered in Classes 32, 33 and 43

Relying on all goods and services, namely:

¹ I note that in both the counterstatement and the written submissions, the applicant refers to its mark as “Revolution Vodka” in Class 33 for *Vodka*. I take this to be a typographical error and will make my considerations based on the aforementioned mark and goods, being the application as filed.

² The word “TEQUILA” is disclaimed.

³ Although the UK has left the EU and the transition period has now expired, EUTMs and International Marks which have designated the EU for protection are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 – please see Tribunal Practice Notice 2/2020 for further information.

- Class 32 *Beers; Mineral and aerated waters, fruit juices.*
- Class 33 *Tequila.*
- Class 43 *Restaurants, bars, snack bars.*

5. Under Section 5(4)(a), the opponent relies upon the signs “REVOLUCION” and “TEQUILA REVOLUCION” which it states were first used throughout the UK on 01 January 2016 in relation to “Tequila; Beers; Mineral and aerated waters, fruit juices”.⁴

6. The opponent submits that the word “TEQUILA” is descriptive of the goods where the goods are tequila; and that the word “TEQUILA” is disclaimed, hence the word REVOLUCION is dominant in the opponent’s registration. Further, the words REVOLUCION and REVOLUTION are visually almost identical and phonetically alike. In regard to the claim under Section 5(4)(a), it submits that the contested application “will misrepresent the public, causing confusion, and damage to the opponent”.

7. The applicant filed a counterstatement denying all claims. It refutes the assertion that registration of its mark will result in confusion to the public. It denies that the earlier mark benefits from any reputation sufficient to cause consumers to establish a link or economic connection between the opponent and the applicant based on the applicant’s mark, and has requested proof of use for all goods and services relied on in relation to the opponent’s EUTM 009214404. Further, in relation to the 5(4)(a) claim, it denies that use of its mark for all goods and services would amount to passing off and requests that the opponent prove that the REVOLUCION brand benefits from goodwill throughout the UK.

8. Both parties filed written submissions which will not be summarised, but will be referred to as and where appropriate during this decision. Both parties have filed evidence which will be summarised to the extent considered necessary. Neither party requested a hearing, therefore this decision is taken following a careful perusal of the papers.

⁴ See paragraphs 12 - 13 of this decision regarding preliminary issues.

9. In these proceedings, the applicant is represented by Sanderana, and the opponent is represented by Appleyard Lees IP LLP.⁵

Preliminary issues

10. The opponent's EUTM is currently subject to Revocation proceedings at the European Union Intellectual Property Office ("EUIPO") which were filed on 27 September 2020 by the applicant in these current proceedings. In an email to the Registry dated 28 September 2020, the applicant requested a suspension, submitting that the outcome of the revocation action will have a bearing on the outcome of the proceedings at issue.

11. The Registry wrote to the applicant on 02 October 2020 confirming that the law on revocation at the EUIPO states that the revocation does not have retrospective effect and it applies as from the date of the request. It was noted that the date of request for revocation of EU mark 009214404 was 27 September 2020. Therefore, in the event that this mark is revoked, it would remain a valid earlier trade mark as on the filing date of applicant's mark i.e. 09 March 2020. Further, as the opposition is also based upon other grounds, the Registry did not consider suspension to be the most proportionate way forward.

12. During the proceedings, the opponent's representatives changed from Allen IP Limited to Appleyard Lees IP LLP. While the original TM7 filed by Allen IP included grounds under Section 5(3) in Section B of the form, only questions one – three of this section were completed. However, in the written submissions filed later by Appleyard Lees, reference was made to unfair advantage and detriment to the repute and distinctive character of the opponent's registration (questions four – six of Form TM7). Likewise, under Section 5(4)(a), Section C of Form TM7 had originally included the sign "REVOLUCION", with use since November 2010, while the written submissions referred to two separate signs, "REVOLUCION" and "TEQUILA REVOLUCION", with the first use being "at least 2016".

⁵ Form TM7 was filed by Allen IP Limited on behalf of the opponent, however, Appleyard Lees IP LLP were subsequently appointed as the new representatives for the opponent, via Form TM33P dated 26 November 2020.

13. The Registry wrote to the opponent's representatives to ask if they were seeking to amend the pleadings accordingly, and an amended TM7 reflecting the written submissions was duly filed and admitted into the proceedings; the applicant was invited to address the additional pleadings and accordingly, it filed an amended form TM8 and counterstatement.

EVIDENCE SUMMARY

The opponent's evidence

14. The opponent filed evidence by way of a witness statement dated 11 January 2021 in the name of Juan Carlos Arav. Mr Arav confirms his position as the CEO of Tequila Revolucion S.A.P.I. DE C.V., and states that he founded Tequila Revolucion in 1995 in Mexico. Alongside the witness statement, Mr Arav adduces 46 exhibits, labelled **Exhibit JCA1, EX1** to **Exhibit JCA1, EX46**, accordingly.

15. In the following paragraphs, I will provide a summary of the exhibits attached to the witness statement.

16. **Exhibit JCA1, EX1** is a copy of an article introducing the distillery and explaining the production process by the company. The mark is shown as part of the header on



each page, represented thus:

Within the text, "Tequila Revolucion" and "Tequila REVOLUCION" are both used in a trade mark sense. The article is undated.

17. **Exhibit JCA1, EX2.** In paragraph 6 of his witness statement, Mr Arav explains that this exhibit shows the national registration in Mexico for the trade mark no. 492167

Revolucion, in Class 33, dated 12 April 1995. However, the accompanying exhibit is in Spanish and no translation has been provided.⁶

18. **Exhibit JCA1, EX3** is a printout of the EUTM file information for 009214404 TEQUILA REVOLUCION, in classes 32, 33 and 43, which shows a registration date of 25/03/2011.

19. **Exhibit JCA1, EX4** is a copy of a web page accessed on 12/02/2020, which explains the classification criteria for tequila. The article was produced by “Consejo Regulador del Tequila (CRT) with a copyright date of 2019.⁷

20. **Exhibit JCA1, EX5** is a printout of a web page accessed on 12/02/2020, which gives details of the global tequila market and is marked as Copyright 1997-2020, Global Information. Inc.

21. **Exhibit JCA1, EX6** is a printout of a selection of catalogue pages from Tequila REVOLUCION (undated), showing available products with suggested USA retail prices, an example of one of the pages is shown below:



⁶ See paragraph 32 of the *ARMANDO POLLINI Trade Mark* BL O/146/02 regarding exhibits in a foreign language.

⁷ Mr Arav explains in paragraph 15 of the witness statement that the Consejo Regulador del Tequila (“CRT”) is an inter-professional organisation for the tequila industry, regulating the Denomination of Origin producing, aging and labelling methods.


22. **Exhibit JCA1, EX7 and EX8.** In paragraphs 15 and 16 of the witness statement, Mr Arav refers to the global market for tequila, for which he states sales are currently in excess of 350 million litres annually. He includes abridged tables of information extrapolated from exhibits EX7 and EX8, translated into English, of exports by volume (litres sold) for Tequila 100% agave (premium, super and ultra premium tequila) (paragraph 17) and “Extra Anejo” Tequila (paragraph 18) in the EU (circa 13 million litres and 60,000 litres respectively) and the USA (circa 479 million litres and 2 million litres respectively) over the five year period 9 March 2015 – 9 March 2020. However, he does not provide information on the actual market share occupied by the “TEQUILA REVOLUCION” brand.

23. **Exhibit JCA1, EX9.** Mr Arav explains that Tequila Revolucion participated in the Concours Mondial de Bruxelles in 1998 with the intention of expanding in to Europe. This exhibit, presented in French and English, is a copy of the gold medal certificate in the spirits sector awarded to Tequila Revolucion:



24. **Exhibit JCA1, EX10.** This is a copy, written in Spanish, of what appears to be an invoice emanating from a third party based in Mexico to a customer based in Italy, for goods that carry the name Revolución, along with an export certificate from the Consejo Regulador del Tequila, A.C. both dated as July 2008.

25. **Exhibit JCA1, EX11.** This is a copy, in English, of a distribution agreement between BRANDS OF SWITZERLAND BOS GMBH and TEQUILA REVOLUCION, signed by the parties on 20 October 2012. Mr Arav confirms that the agreement with Brands of Switzerland for them to distribute the Tequila Revolucion products within the EU, ran from the date of signing until May 2016. Within this exhibit are a further two printouts, "EXHIBIT A", which shows an international export price list of the various tequilas; and "EXHIBIT B", which shows a forecast dated 24.9.2012 for TEQUILA REVOLUCION products for Switzerland, Austria and Germany. The mark is shown in both plain text, and in a stylised version on the header of the (undated) price list, as replicated below:


"EXHIBIT A"
 Su nombre lo dice todo.

INTERNATIONAL EXPORT PRICE LIST			
PRODUCT	PRICE / BOTTLE	TERMS	PACKING
TEQUILA REVOLUCION SILVER 700ml bottle of 35% Alc. by Vol.	USD 12.88	EX-WORKS ARENAL, JALISCO	6 bottles case 28.5L x 21.49V x 25.3H cms weight: 6.5 kgs USD 78.08
TEQUILA REVOLUCION REPOSADO 700ml bottle of 35% Alc. by Vol.	USD 13.56	EX-WORKS ARENAL, JALISCO	6 bottles case 28.5L x 21.49V x 25.3H cms weight: 6.5 kgs USD 81.08
TEQUILA REVOLUCION ANEJO 700ml bottle of 35% Alc. by Vol.	USD 18.30	EX-WORKS ARENAL, JALISCO	6 bottles case 28.5L x 21.49V x 25.3H cms weight: 6.5 kgs USD 87.98
TEQUILA REVOLUCION 100 PROOF 700ml bottle of 60% Alc. by Vol.	USD 18.80	EX-WORKS ARENAL, JALISCO	6 bottles case 28.5L x 21.49V x 25.3H cms weight: 10.03 kgs USD 111.68
TEQUILA REVOLUCION EXTRA ANEJO 700ml bottle of 40% Alc. by Vol.	USD 34.08	EX-WORKS ARENAL, JALISCO	6 bottles case 36.2L x 25.2V x 30.2H weight: 10.03 kgs USD 304.68
TEQUILA REVOLUCION MINI SILVER 50ml bottle of 35% Alc. by Vol.	USD 2.88	EX-WORKS ARENAL, JALISCO	60 bottles case 43L x 21.9V x 129 cms weight: 8.86 kgs USD 172.88
TEQUILA REVOLUCION MINI REPOSADO 50ml bottle of 35% Alc. by Vol.	USD 2.18	EX-WORKS ARENAL, JALISCO	60 bottles case 43L x 21.9V x 129 cms weight: 8.86 kgs USD 129.68
TEQUILA REVOLUCION MINI ANEJO 50ml bottle of 35% Alc. by Vol.	USD 3.48	EX-WORKS ARENAL, JALISCO	60 bottles case 43L x 21.9V x 129 cms weight: 8.86 kgs USD 144.68
CARRY-ON SILVER GIFT PACK Includes: One Tequila REVOLUCION 700ml bottle of 35% Alc. by Vol., 2 collectible 44ml REVOLUCION glasses.	USD 19.88	EX-WORKS ARENAL, JALISCO	6 CARRY-ON case 41.5L x 21.8V x 28.9H cms weight: 11.800 kgs USD 89.98
CARRY-ON REPOSADO GIFT PACK Includes: One Tequila REVOLUCION 700ml bottle of 35% Alc. by Vol., 2 collectible 44ml REVOLUCION glasses.	USD 17.58	EX-WORKS ARENAL, JALISCO	6 CARRY-ON case 41.5L x 21.8V x 28.9H cms weight: 11.800 kgs USD 93.68
TEQUILA REVOLUCION TRIO MINIS GIFT PACK Includes: 1 Bot. Silver, 1 Bot. Reposado, 1 Bot. Añejo Each 50ml of 35%, 40% Alc. by Vol., on independent packaging 14 Trip Packages.	USD 6.98	EX-WORKS ARENAL, JALISCO	14 x 3 Bottles Mini Packages 42 Bottles each case 43L x 21.9V x 129 cms weight: 6.82 kgs USD 91.08
TEQUILA REVOLUCION DUO ANEJO + REPOSADO Includes: 1 Bot. Añejo 700ml 35% Alc. by Vol. & 1 Bot. Reposado 700ml 35% Alc. by Vol.	USD 24.88	EX-WORKS ARENAL, JALISCO	12 bottles case 66.0L x 31.0V x 26.4H weight: 18.90 kgs USD 147.88

26. **Exhibit JCA1, EX12** comprises copies of two emails, the first showing as a forwarded message sent from Mr Arav to the representative of Brands of Switzerland, Michael Fankhauser on 16 May 2016, in which he says that the agreement will be terminated as it did not produce the desired volume of sales; and the second showing as a forwarded message sent 28 October 2017 to Mr Arav from Michael Fankhauser. Mr Fankhauser explains in the email that he has attached the invoice of a delivery to Germany in December 2015.

27. **Exhibit JCA1, EX13 and EX14** show copies of sales invoices from 2012 and 2013 for the sale of the opponent's goods to the Swiss based distribution company Brands of Switzerland. The mark is shown on the invoices as part of the company name "TEQUILA REVOLUCION, S.A. P.I.DE C.V." and in a stylised font with a figurative



element in the top left hand corner of the invoice: . The words "TEQ. REVOLUCION" are also included as part of the itemised product descriptions.

28. **Exhibit JCA1, EX15** is a printout headed BRANDS OF SWITZERLAND, dated 05.03.14 and written in German, which Mr Arav explains is a record of sale of the REVOLUCION products in the EU, the price for which is shown in dollars.

29. **Exhibit JCA1, EX16 and EX17** are printouts dated 15.12.2015 and 14.04.2016 respectively. They are written in German, but Mr Arav confirms that they are the distributor's record of sales of the products in the EU, the price for which is shown in euros, being €1,363.28 and €508.60 respectively.

30. **Exhibit JCA1, EX18** consists of an international export price list 2020. The list is headed thus:



The product descriptions include the words “TEQUILA REVOLUCION” prior to the product specification. Although the prices are shown in USD for the 700ml bottles, Mr Arav explains in paragraph 20 of the witness statement that this bottle size is a prerequisite for the EU market, the standard bottle size in the USA being 750ml.

31. **Exhibit JCA1, EX19** consists of a web page from “www.whois.com” which was accessed on 12/02/2020. It shows domain information for “tequilarevolucion.com” as being registered on 24/08/2004, updated on 25/06/2021 and expiring on 24/08/2022.

32. **Exhibit JCA1, EX20.** In the witness statement, Mr Arav explains the contents of this exhibit as user data for the Tequila Revolucion website which shows the user location (locales), the number of web files sent to a user (paginas), the number of requests made to the server (solicitudes), and the total traffic associated with the website (trafico) between 2018 and 2019 and he provides examples for data by UK users.⁸

33. **Exhibit JCA1, EX21 to EX26.** Mr Arav identifies these exhibits as invoices for direct sales of Tequila Revolucion products in the EU, with examples from 2014, 2015, 2018 and 2019. The first three exhibits appear to be provided via a third party, “AGAVUS”, while the subsequent three exhibits, EX24, EX25 and EX26, originate from TEQUILA REVOLUCION, S.A.P.I. DE CV, with the composite sign as shown in paragraph 32 of this decision appearing as the header. With the exception of EX24, where the product description is “Tequitime Crema de Café con Tequila”, the words “TEQUILA REVOLUCION” precede the product description on each of the invoices. At paragraph 31 of the witness statement, Mr Arav provides a table showing a summary of these invoices, detailing that between December 2014 and December 2015 a total of 24 units of the brand were sold by the Spanish-based AGAVUS at a total cost of 585.23 euros, with a further 672 units of various classes of tequila to a value of \$12,302.40 being sold by TEQUILA REVOLUCION, S.A.P.I. DE CV in September 2018 and October 2019 to clients in the UK and France.

⁸ See paragraph 30 of the witness statement dated January 11, 2021.

34. **Exhibit JCA1, EX27** provides copies of five export certificates. These are presented in Spanish, however, Mr Arav states that certificated records of exports to the EU in the period 2016-019 are recorded and attached as shown in the exhibit from which the information in the tables below has been summarised. However, copies of the certificates listed for France do not seem to have been included in the exhibit:⁹

CERTIFICATES FRANCE

N°CERTIFICAT	DATE	QUANTITÉ	DESTINATION
569370	28/10/2019	277.20 LITRES	FRANCIA
569371	28/10/2019	100.80 LITRES	FRANCIA
569372	28/10/2019	50.40 LITRES	FRANCIA

CERTIFICATES UNITED KINGDOM

N°CERTIFICAT	DATE	QUANTITÉ	DESTINATION
514819	13/09/2018	4.20 LITRES	UNITED KINGDOM
514820	13/09/2018	8.40 LITRES	UNITED KINGDOM
514821	13/09/2018	12.60 LITRES	UNITED KINGDOM
514822	13/09/2018	4.20 LITRES	UNITED KINGDOM

35. **Exhibit JCA1, EX28** is a copy of the Executive Summary from TEQUILA REVOLUCION providing background on the founding of the brand, which has been adduced as evidence that TEQUILA REVOLUCION is one of the three best-selling tequila brands in Mexico Duty Free stores. The article is undated although it references the year 2019.

36. **Exhibit JCA1, EX29** lists the certificate numbers for duty-free international exports from various Duty Free outlets, dated between 21/01/2016 and 16/06/2019, however, the exhibit does not show use of the mark itself. Mr Arav confirms that the certificates are available to view, if required.¹⁰

⁹ They are, however, to be found in the evidence in reply, in Exhibit JCA2/Exhibit 11.

¹⁰ See paragraph 33 of the first witness statement.

37. **Exhibit JCA1, EX30** shows the sworn statement of Alejandro Herrero, in his capacity as the Commercial Executive of Dufry Mexico SA de CV, a subsidiary of Dufry International which operates duty free stores in Mexico's main airports. Mr Herrero states that between 2016 and 2019, Dufry have sold tequila under the REVOLUCION brand to Europeans to a value of \$566,895. The document is dated 15 June 2020 and copies in Spanish and of the English certified translation are shown.

38. **Exhibit JCA1, EX31** shows several pages of printouts of results from the search engine Google for the search term "tequila revolucion", with the purpose of demonstrating the extent to which the brand enjoys a global reputation in relation to the sale of tequila. Mr Arav submits that an image search was carried out by his attorneys between the date ranges 9 March 2015 to 9 March 2020 in the EU, however, the exhibit is undated. The results illustrate various products bearing the brand, many of which link to ".com" sites, and some link to ".co.uk" sites, as well as to European websites, for example:



Tequila Produced by Te...
winestyle.co.uk



Presentación de PowerPoint
brandsofswitzerland.ch



Rarität: Tequila Revolucion Reposado ...
amazon.de

39. **Exhibit JCA1, EX32.** Mr Arav again states that a search was carried out by his attorneys between the date ranges 9 March 2015 to 9 March 2020 to show examples of sales of Tequila Revolucion products from third party vendors in the EU. The printouts of results come from a search on Google for "tequila revolucion", carried out on 12/30/2020. The exhibit includes results, amongst others, from alky.co.uk dated 22 Oct 2019; www.tequila-hacienda.de dated 13 Mar 2016 and 29 Mar 2019 (written in German); and from www.drinksco.fr, dated 1 Aug 2019 and presented in French. The pages showcase TEQUILA REVOLUCIÓN products and the brand is presented with and without the acute accent on the second 'O' of Revolucion within the articles,

in plain font in the body of text; and as a composite mark on the bottle labels, as shown earlier in paragraphs 27, 30 and 38 of this decision.

40. **Exhibit JCA1, EX33** is a printout of a Facebook page accessed on 1/7/2021 which advertises Tequila Revolución, presented in various formats as previously described, as both plain words and with the logo. Mr Arav states that the Facebook account has been running since 2010, and has over 8,000 followers.

41. **Exhibit JCA1, EX34** consists of copies of pages from YouTubeGB accessed on 12/1/2020 showing hits for Tequila Revolución/REVOLUCIONTequila videos. Under some of the clips are dates: Page 204, 1 Dec 2010; Page 206, 8 Apr 2011; Page 208, 28 Jan 2013; and Page 209, 23 Mar 2012. Mr Arav states that the YouTube account was set up in 2011, features over 30 product videos, and has 41 regular subscribers, but it is not clear on what date this information was current.

42. **Exhibit JCA1, EX35** contains a printout from the Instagram account, accessed on 12/2/2020, which includes images of the bottles bearing TEQUILA REVOLUCIÓN on the labels, and also shows the web address www.tequilarevolucion.com, as well as



displaying the following logo at the top lefthand side of the page:

43. **Exhibit JCA1, EX36** shows the Tequila Revolucion twitter account, which at the date of printing (12/2/2020) had 1,295 followers. The printout of this exhibit shows a joining date of September 2010, as well as posts dated Aug 26, 2018 and Aug 20, 2018. The page is in a mixture of English and Spanish.

44. **Exhibit JCA1, EX37 to EX38.** In paragraph 44 of the witness statement, Mr Arav explains that Tequila Revolucion participated at the Tequila & Mezcal Festival in London on 04 September 2018. The printout for EX37 is from the "TEQUILA&MEZCALFESTUK" webpage, accessed on 12/2/2020 and showing a date of 24 Sep 2018 within the advertisement, alongside images of TEQUILA

REVOLUCIÓN products. Photographs (undated) taken from the event are included as part of these exhibits (EX38), an example of which can be seen below:



45. **Exhibit JCA1, EX39-EX40** show an invoice for £700 from Tequila & Mezcal Fest dated 04 September 2018 for payment of the Tequila Revolucion stand at the aforementioned festival; and an invoice to Juan Pablo Arav from Brooke Dupre Group dated 02/10/2018, for £630 for Cocktail Bartender Service, respectively, which Mr Arav explains are for marketing expenditure associated with attendance at the festival.

46. **Exhibit JCA1, EX41** shows the front cover of the US focussed “The tastingpanel Magazine” dated April 2017, subsequent pages feature an article about TEQUILA REVOLUCIÓN (also dated April 2017), and an FAQ page relating to the magazine itself dated January 6 2021.

47. **Exhibit JCA1, EX42** is a printout from the BMG Beverage Media Group webpage with an article entitled 2017 Holiday Gift Guide in which Tequila Revolución features at the top of the list of 17 alcoholic drinks related gift suggestions. Following the article, information about BMS states that “BeverageMedia.com connects licensees to local distributor brand and price information online throughout the U.S.”.

48. **Exhibit JCA1, EX43** is a printout from an article on *The Telegraph* news website dated 4 October 2018 in which it quotes the founder of London's Tequila and Mezcal Fest as saying that smaller, artisanal tequila producers, including Tequila Revolución, are poised to hit the UK market.

49. **Exhibit JCA1, EX44** is a printout from an article on the *European CEO* website dated 4 May 2020 in relation to the tequila industry and the growth of the premium tequila market. TEQUILA REVOLUCION is not mentioned.

50. **Exhibit JCA1, EX45** is a printout from an article on *imbibe.com* dated 04 January 2019 entitled "Mex factor: The tequila trends pushing the category forward". The article does not mention the Tequila Revolución brand specifically.

51. **Exhibit JCA1, EX46** comprises three articles in relation to the tequila industry. The first is from *forbes.com* website dated Jan 17, 2019, entitled "The Future of Ultra-Premium Tequila" by way of an interview with a senior advisor in the spirits industry; the second article is a report from the Financial Times website, accessed on 12/2/2020; and the third is a report from *thespiritbusiness.com* which was first published in the October 2018 issue of The Spirit Business and updated on 29 January 2019. The articles, which explore the growth of the tequila market, are predominantly focussed on the US market, although the third article also mentions the UK as a core market, while noting that the share of the global spirits market is relatively small. None mention TEQUILA REVOLUCION.

The applicant's evidence

52. The applicant filed evidence by way of a witness statement dated 11 March 2021 in the name of AMANDEEP RANA, trading as SANDERANA, who confirms his capacity as the representative for the applicant. Mr Rana adduces four exhibits in support of the opponent's claims, labelled **AR1 - EX1** to **AR1 - EX4**, accordingly.

53. Mr Rana confirms the content of the exhibits, the following of which has been replicated directly from his witness statement:

“2. I attach herewith a number of exhibits taken from the internet comprising screenprints from the Wayback Machine and Electronic Filing Receipt from the EUIPO.

3. I attach as AR1 – EX1, a filing receipt from the EUIPO demonstrating that Horizons (Group) London Limited applied for an EU Application for Revolution Vodka on 29 August, 2018. This Application predates any of the relevant evidence provided by the Opponent.

4. The Opponent claims it was possible for EU Consumers to purchase products from its website since 2004. I attach as AR1 – EX2, two snapshots from the Wayback Machine (web archive) of the Opponent’s website www.tequilarevolucion.com/en. The first snapshot was taken in 2015 and the second was taken in 2016. These snapshots clearly demonstrate it was not possible for consumers from the EU to purchase from the webpage during the relevant time period. The screen prints clearly state ‘ONLINE STORE ONLY USA’. WITNESS STATEMENT

5. Attached as AR1 – EX3 is a screenprint from www.tequilarevolucion.com from today’s date. This screenprint is from the ‘Find’ tab and clearly evidences that the products sold by the Opponent can only be found in the US and Mexico.

6. Attached as AR1 – EX4 is an Article from European CEO which references the rapid growth of the tequila industry throughout Europe and the increasing demand for 100% agave premium tequilas.”

Evidence in reply

54. Mr Arav filed a second witness statement as evidence in reply, comprising a further 12 exhibits (labelled **Exhibit JCA2, EX1** to **Exhibit JCA2, EX12**, accordingly), in response to the written submissions of the applicant.

55. I will not provide a summary of the exhibits provided by way of the second witness statement at this point, but I will refer to them as and when I deem necessary during my decision.

DECISION

56. Although the UK has left the European Union, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. Therefore, this decision contains references to the trade mark case-law of the European courts.

57. 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) a European Union 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,

...”

58. The trade mark upon which the opponent relies qualifies as an earlier trade mark under the above provisions.

59. The opponent’s trade mark completed the registration process more than five years before the application date of the contested mark, and, as a result, is subject to proof of use provisions. The applicant has required the opponent to provide proof of use of the mark for all the goods and services on which it relies, as listed under paragraph 4 of this decision.

Proof of Use

60. Section 6A of the Act is as follows:

(1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

61. Section 100 of the Act states that:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it”.

62. The relevant period during which genuine use must be shown is the five years ending with the date of application of the contested mark, which was 09 March 2020. The relevant period is 10 March 2015 to 09 March 2020. As the opponent’s mark is

an EUTM, the territory in which use must be shown is the EU: see *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, paragraphs 36, 50 and 55.

63. The case law on genuine use was summarised by Arnold J (as he then was) in *Walton International Limited v Verweij Fashion BV* [2018] EWHC 1608 (Ch):

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the

goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide;

and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

Use of the mark

64. The opponent has claimed that use has been made of all of its goods and services as registered under the Section 5(2)(b) and Section 5(3). I must consider whether, or the extent to which, the evidence shows genuine use of the earlier mark in relation to the goods and services relied upon, being

Class 32 *Beers; Mineral and aerated waters, fruit juices.*

Class 33 *Tequila.*

Class 43 *Restaurants, bars, snack bars.*

65. Where there is no use of the mark in respect of the goods and services as registered, it follows there has been no genuine use of the mark. In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“ 22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

66. All of the opponent’s evidence concerns *Tequila*. There is nothing in relation to *Beers; Mineral and aerated waters, fruit juices and Restaurants, bars, snack bars*. Therefore, the opponent cannot rely on the earlier mark in relation to the goods and services registered in Class 32 and Class 43 respectively.

67. This leaves only the goods in Class 33 to be considered, being *Tequila*.

Form of the mark

68. Section 46(2) of the Act states that:

“... use of a trade mark includes use in a form (“the variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it is registered...”

69. In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union (“CJEU”) found that:

“32. ... the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark”,

and

“35 ... as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1)”.

70. Where the issue is whether the use of a mark in a different form, rather than with, or as part of, another mark, constitutes genuine use of the mark as registered, the decision of Mr Richard Arnold QC (as he then was), sitting as the Appointed Person, in *Nirvana Trade Mark*, BL O/262/06, is relevant.¹¹

71. The earlier mark is registered as a plain word mark “TEQUILA REVOLUCION”, however the word “TEQUILA” is disclaimed. In any case, that word is descriptive (and so non-distinctive) of the goods that remain in play.

72. The evidence as shown on the exhibits accompanying the opponent’s witness statement demonstrates use of the sign in a number of forms, including in plain word, presented in various upper and lower case combinations (Tequila Revolucion; Tequila REVOLUCION; TEQUILA REVOLUCION), some of which include an acute accent on the second ‘O’ of the word “REVOLUCION”, i.e. “REVOLUCIÓN”. On many of the examples, such as invoices and price lists, the sign precedes a description of the classification of tequila, for example “Tequila Revolucion Silver”, “Tequila Revolucion Reposado” etc.

73. Mr Iain Purvis QC, sitting as the Appointed Person in *China Construction Bank Corporation v Groupement Des Cartes Bancaires*, Case BL O/281/14, stated that:

“...It is well established that a ‘word mark’ protects the word itself, not simply the word presented in the particular font or capitalization which appears in the Register of Trade Marks.... A word may therefore be presented in a different way (for example a different font, capitals as opposed to small letters, or hand-

¹¹ See paragraphs 33 – 34.

writing as opposed to print) from that which appears in the Register whilst remaining 'identical' to the registered mark."¹²

74. Much of the evidence presented also shows the sign in combination with other matter, as demonstrated in the evidence summary, and I must decide which of the forms of the mark "TEQUILA REVOLUCION" can be considered as use of the earlier mark.

75. I will now consider each of the variants in turn, only where they have been used within the relevant period.

Variant 1

76. The word "REVOLUCION" has been shown, both in plain word and within the composite variants, in two different forms: as registered, that is to say without an accent, and in other examples with an accent on the last syllable: "REVOLUCIÓN" (See exhibit JCA1 EX32), and is presented in both upper, lower and Title case. While Spanish speakers would understand that the use of such an accent is to provide emphasis of the pronunciation of the word, to a significant proportion of consumers, I consider that the accent would be overlooked. In either case, I do not consider that the additional accent affects either the meaning or the distinctive character of the mark, and as such is an acceptable variant of the mark as registered.

Variant 2



77. See exhibits JCA1 EX16 and EX17, dated 15.12.2015 and 14.04.2016.

¹² Paragraph 21.

78. The mark appears in the above exhibits as the red version shown above, and the same composite mark is also presented throughout the evidence in various other colour combinations (red, blue, gold, black), which can be found on illustrations of the various products/bottle labels bearing the brand (see, *inter alia*, JCA1 EX31). The marks feature a device element sitting below the words “TEQUILA” in a standard typeface, and “REVOLUCIÓN”, also in a standard font, but encased within a four sided curved border, resembling a semi elliptical configuration, the presentation of which, in my view, accentuates the word “REVOLUCIÓN” within the mark as whole.

Variant 3



79. See exhibit JCA1 EX18, which shows the sign displayed above as a header on an international export price list 2020; and exhibits JCA1 EX24/EX25/EX26, which are examples of invoices which bear the above logo, dated 12/sep/2018, 13/sep/2018 and 24/oct/2019 respectively. The word “TEQUILA”, in a standard typeface, lies above the word “REVOLUCIÓN”, which is in the same, but larger, typeface, which is underlined and contains a small device element in the centre of the line beneath the letters L and U. The enlarged font used for the word “REVOLUCIÓN” draws attention towards this element within the sign.

Variant 4



80. The sign as used above is found on the Instagram page accessed on 12/2/2020 (JCA1 EX 35) and on (JCA1 EX38), being taken from the Tequila & Mezcal Festival

in London on 04 September 2018. The sign resembles a badge or bottle top, consisting of a black circle with two concentric white lines which contain the words “REVOLUCION” at the top, and “TEQUILA” at the bottom, with a device element in white at the overall centre.

81. In variants 2 - 4, the words “TEQUILA REVOLUCION”/“TEQUILA REVOLUCIÓN” are clearly present, albeit shown in reverse order in variant 4, and to my mind, the words dominate each of the signs. While the various device elements contribute to the distinctive character of all of those signs individually, in my view, the relevant consumer is more likely to identify and recall the verbal elements as being indicative of brand origin. I do not consider that any of the variant forms alter the distinctive character of the word mark “TEQUILA REVOLUCION”, consistent with the case law cited above. I therefore find that the aforementioned are all acceptable variants of the mark as registered.

Genuine use

82. Whether the use shown is sufficient to constitute genuine use will depend on whether there has been real commercial exploitation of the mark, in the course of trade, sufficient to create or maintain a market for the services at issue in the EU during the relevant five-year period. In making my assessment, I must consider all relevant factors, including:

- the scale and frequency of the use shown;
- the nature of the use shown;
- the goods for which use has been shown;
- the nature of those goods and the market(s) for them; and
- the geographical extent of the use shown.

83. The opponent has filed a large volume of evidence in these proceedings. In its written submissions, the applicant challenges the witness statement and the accompanying exhibits of the opponent. It submits that the opponent has failed to provide any reliable evidence of use of its trade mark within the relevant territory during

the relevant period, and states that the opponent has submitted a number of documents which are irrelevant to the proceedings.

84. In response, as I have already noted, the opponent submitted a second witness statement as evidence in reply, and adduces a further 12 exhibits labelled JCA2, Exhibits 1 – 12, accordingly.

85. I will address the concerns of the applicant in the following paragraphs, as I see fit, and I will come to my own decision, based on the evidence before me.

86. In *Awareness Limited v Plymouth City Council*, Case BL O/236/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public”.

87. I agree with the applicant that much of the evidence is irrelevant, being either undated or outside of the relevant period, or beyond the relevant territory. Nevertheless, I bear in mind that use of the mark need not always be quantitatively significant for it to be deemed genuine.¹³

¹³ *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

88. Exhibit JCA1, EX11 is a copy of the distribution agreement between the Swiss based company BRANDS OF SWITZERLAND BOS GMBH and TEQUILA REVOLUCION. While this agreement was signed prior to the start of the relevant period, Mr Arav confirms that the agreement ran until May 2016, and therefore extends at least in part to the relevant period. Exhibits JCA1 EX16 and EX17 are invoices for the products provided by the distributor Brands of Switzerland to a client in Germany, to the combined sum of €1,871.88, meanwhile, exhibits JCA1 EX25 and EX26 show copies of invoices for sales of Tequila Revolucion products to clients in England and France respectively, within the relevant period, to a combined total to the value of 12,302.40 US dollars. I acknowledge the concerns of the applicant that the invoices dated within the relevant period are for such a small quantity of units. I also accept that Mr Arav says in his second witness statement that this distributor has ceased to trade and that it may therefore have been difficult to obtain full records of sales. This argument is less persuasive when it comes to direct sales. I note that Mr Arav says he has been unable to trace examples of sales made in the EU directly from the company's website. Had these occurred, it is my view that it should not have been hard to provide evidence of such online sales. I have only the two invoices in JCA1 EX25 and EX26 and the export certificates which appear to be for the same quantities as the invoices around the same date.

89. Exhibit JCA1, EX30 comprises a translation of a sworn statement signed by Alejandro Herrero, the commercial executive of Dufry Mexico SA de CV, the purpose of which is to confirm the sale of the TEQUILA REVOLUCION brand through the duty free stores operated by Dufry located at various airports within Mexico. Following comments by the applicant in its written submissions, Mr Arav has provided an amended copy of the translated statement.¹⁴ Mr Herrero states that during the period of 2016 to 2019, sales of TEQUILA REVOLUCION to the value of 566,895 USD were made to European travellers, of which 173,446 USD relates to sales to the UK. While I appreciate that the value of these sales is higher than the value of the sales made within the EU as shown in the evidence, it does not detract from the fact that those sales were made outside the relevant territory, albeit the goods were then taken into the EU by those making the purchase. The evidence does not demonstrate either

¹⁴ See JCA2, EXHIBIT 12.

promotion or genuine use within the relevant territory *per se*, and as such, cannot be relied upon.

90. Exhibit JCA1, EX32 demonstrates the results of an internet search on Google for the term “tequila revolucion”. The results show hits which link to, *inter alia*, websites in the UK, Germany and France, which are all dated within the relevant period. While some of these websites show the goods available for purchase with the product information in German and French, for which no translation has been provided, the TEQUILA REVOLUCION brand is clearly shown on graphics of the product labels, with prices given in euros and pounds sterling by the stockists. However, while the information shows that the opponent’s brand of tequila is available for purchase within the EU from third party vendors, it does not demonstrate the amount of sales generated from these websites.

91. Exhibits EX33 and EX36 evidence use of the brand on Facebook and Twitter, both showing posts within the relevant period, although it is not clear how many followers there were during that period, or where those followers were located. I note the articles in which Tequila Revolución features on the various third party press articles and websites.

92. I also observe that a stand was commissioned at the Tequila & Mezcal Fest in London in 2018 to promote the brand, with the associated marketing expenditure totalling £1330.00. Mr Arav states that the UK sales resulted directly from attendance at the festival.¹⁵ However, only the second of the two invoices provided in relation to UK sales, dated 13 September 2018, is for the TEQUILA REVOLUCION brand goods, to a value of \$642, which compared with the related marketing outlay, seems significantly low.¹⁶ The three export certificates relating to sales to the French company Societe Maison Descaves all focus on the same date.¹⁷ In relation to the distribution agreement with Brands of Switzerland, in the email correspondence to the director Mr Fankhauser, Mr Arav admits that the agreement was terminated because

¹⁵ See paragraph 17 of the opponent’s second witness statement.

¹⁶ The product description shown on the first invoice relating to UK sales dated 12 September 2018 is “Tequitime Crema de Café con Tequila”.

¹⁷ See paragraph 17 of the opponent’s second witness statement and exhibits JCA2 EXHIBIT 11.

it had not accomplished the expected volume of sales.¹⁸ Apart from attendance at the aforementioned trade show, I find no evidence to demonstrate any concerted attempt to actively promote the brand within the EU, such as advertising campaigns or point of sale advertisements in outlets stocking the brand within the relevant territory.

93. The opponent submits that global sales of tequila are currently in excess of 350 million litres annually, with the principal market being the United States. It further submits that the international market is growing as tequila gains increasing recognition outside of Mexico and the USA, but has provided no figures to evidence the market share for its brand within the relevant territory, nor any indication of turnover during the relevant period.

94. I must consider the evidence as a whole. Having done so, I find that there is no consistent pattern of sales, and the volume of sales shown appears marginal, with scant evidence of promotion of the brand. The evidence does not allow me to find that the opponent has demonstrated real commercial exploitation of the earlier mark or that there has been genuine use on any of the goods and services for which it is registered within the relevant period and within the relevant territory of the EU.

95. Consequently, the earlier mark cannot be relied upon in these proceedings and the opposition under Section 5(2)(b) and Section 5(3) fails.

Section 5(4)(a)

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

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

¹⁸ See exhibit JCA1 EX12

(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, where the condition in subsection (4A) is met,

(aa) ...

(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.”

97. Subsection (4A) of section 5 of the Act states:

“The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

98. 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).”

Relevant date

99. A claim for passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, quoted with approval the summary made by Mr Allan James, acting for the Registrar, in *SWORDERS Trade Mark*, BL O/212/06:

“Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.”¹⁹

100. In the witness statement, the applicant has adduced exhibit AR1 – EX1, being a copy of a filing receipt from the EUIPO which it submits demonstrates that Horizons (Group) London Limited applied for an EU Application for the mark “Revolution Vodka” in Class 33 for *Vodka*, on 29 August, 2018, which it states predates any of the relevant evidence provided by the Opponent. However, as touched on earlier in this decision, the UK application subject to these proceedings is for the single word “REVOLUTION” in Class 33 for *Alcoholic drinks (except beer); distilled spirits*. Further, the filing receipt shows that the EU application was made in the name of RDV Spirits Limited and not Horizons (Group) London Limited, with no evidence to show any connection between the two companies. I have no evidence to show that the applicant’s mark has been in use prior to the date of its UK application for registration. Accordingly, all factors should be assessed as at the date of the application, being 9 March 2020 (“the relevant date”).

¹⁹ See paragraph 43 of BL O-410-11.

Goodwill

101. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), goodwill was described in the following terms:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

102. In *Starbucks (HK) Limited & Anor v British Sky Broadcasting Group Plc & Ors* [2015] UKSC 31, Lord Neuberger (with whom the rest of the Supreme Court agreed) stated that:

“I consider that we should reaffirm that the law is that a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction, and that such goodwill involved the presence of clients or customers in the jurisdiction for the products or services in question.”²⁰

103. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The

²⁰ Paragraph 47.

requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

104. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

105. In *Smart Planet Technologies, Inc. v Rajinda Sharm* [BL O/304/20], Mr Thomas Mitcheson QC, as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After reviewing these authorities Mr Mitcheson concluded that:

“.. a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”

106. After reviewing the evidence relied on to establish the existence of a protectable goodwill Mr Mitcheson found as follows:

“The evidence before the Hearing Officer to support a finding of goodwill for Party A prior to 28 January 2018 amounted to 10 invoices issued by Cup Print in Ireland to two customers in the UK. They were exhibited to Mr Lorenzi’s witness statement as exhibit WL-10. The customers were Broderick Group Limited and Vaio Pak.

37. The invoices to Broderick Group Limited dated prior to 28 January 2018 totalled €939 and those to Vaio Pak €2291 for something approaching 40,000 paper cups in total. The invoices referred to the size of “reCUP” ordered in each case. Mr Lorenzi explained that Broderick Group Limited supply coffee vending machines in the UK. Some of the invoices suggested that the cups were further branded for onward customers e.g. Luca’s Kitchen and Bakery.

38. Mr Rousseau urged me not to dismiss the sales figures as low just because the product was cheap. I have not done so, but I must also bear in mind the size of the market as a whole and the likely impact upon it of selling 40,000 cups. Mr Lorenzi explained elsewhere in his statement that the UK market was some 2.5 billion paper coffee cups per year. That indicates what a tiny proportion of the market the reCUP had achieved by the relevant date.

39. Further, no evidence was adduced from Cup Print to explain how the business in the UK had been won. Mr Rousseau submitted to me that the average consumer in this case was the branded cup supplier company, such as Vaio Pak or Broderick Group. No evidence was adduced from either of those companies or from any other company in their position to explain what

goodwill could be attributed to the word reCUP as a result of the activities and sales of Cup Print or Party A prior to 28 January 2018.

40. Various articles from Packaging News in the period 2015-2017 had been exhibited but again no attempt had been made to assess their impact on the average consumer and these all pre-dated the acquisition of the goodwill in the UK. I appreciate that the Registry is meant to be a less formal jurisdiction than, say, the Chancery Division in terms of evidence, but the evidence submitted in this case by Party A as to activities prior to 28 January 2018 fell well short of what I consider would have been necessary to establish sufficient goodwill to maintain a claim of passing off.

41. This conclusion is fortified by the submissions of Party B relating to the distinctiveness of the sign in issue. Recup obviously alludes to a recycled, reusable or recyclable cup, and Party B adduced evidence that other entities around the world had sought to register it for similar goods around the same time. The element of descriptiveness in the sign sought to be used means that it will take longer to carry out sufficient trade with customers to establish sufficient goodwill in that sign so as to make it distinctive of Party A's goods."

107. I have already considered the evidence provided as proof of use under Section 5(2)(b) and Section 5(3), where I found that the evidence was insufficient to be relied upon under these grounds. The evidence in relation to goodwill in the UK under Section 5(4)(a) is even less compelling than that in relation to the relevant territory of the EU within the relevant period for proof of use of the earlier trade mark. Only one relevant invoice has been provided for the goods sold in the UK under the "TEQUILA REVOLUCION" brand, amounting to only 60 units to a value of \$642. Accordingly, I find that the opponent has not demonstrated that it has significant or substantial goodwill in either of the two signs "REVOLUCION" and "TEQUILA REVOLUCION" on which it relies, which it states were first used throughout the UK on 01 January 2016 in relation to "*Tequila; Beers; Mineral and aerated waters, fruit juices*". Consequently, I am unable to find that it has a protectable goodwill and so the Section 5(4)(a) ground fails.

Conclusion

108. The opposition has failed. Subject to any successful appeal, the application by Horizons Group (London) Limited may proceed to registration.

Costs

109. The applicant has been successful, and is therefore entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice (“TPN”) 2/2016. Applying the guidance in that TPN, I award the Horizons Group (London) Limited the sum of £1500, which is calculated as follows:

Considering the notice of opposition and preparing a counterstatement:	£300
Considering the opponent’s evidence and preparing evidence:	£750
Filing written submissions in lieu of a hearing:	£450
Total:	£1500

110. I therefore order TEQUILA REVOLUCION S.A.P.I. DE C.V. to pay Horizons Group (London) Limited the sum of £1500. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 20th day of August 2021

Suzanne Hitchings
For the Registrar,
the Comptroller-General