

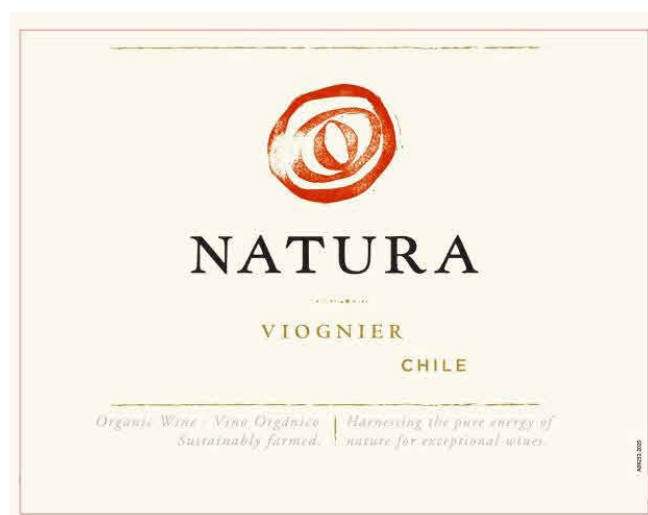
**O/0425/23**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3679929**

**BY BANFI PRODUCTS CORPORATION  
AND VINEDOS EMILIANA S.A.**

**TO REGISTER THE TRADE MARK**



**IN CLASS 33**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 429619**

**BY MIGUEL TORRES S.A.**

## Background and pleadings

1. On 10 August 2021 Banfi Products Corporation and Vinedos Emiliana S.A. (“**the Applicants**”) applied to register the trade mark shown on the front page of this decision. On 24 September 2021 the trade mark was published for opposition purposes in respect of the following goods:

### **Class 33: Wines**

2. On 23 December 2021, the trade mark application was opposed, in full by Miguel Torres S.A. (“**the Opponent**”). The opposition is based on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“**the Act**”).

3. Under sections 5(2)(b) and 5(3), the Opponent relies upon the following two international trade marks:

(i) The “**721 mark**”

**NATUREO**

**UK number** WO0000000928721

**UK designation date** 16/05/2007

**Date of protection** 13/01/2008

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

(ii) The “**890 mark**”

**NATUREO**

**UK number** WO0000000965890

**UK designation date** 17/03/2008

**Date of protection** 18/12/2008

**Class 32** Non-alcoholic beverages, namely, wines without alcohol

4. An “earlier trade mark” is defined in section 6(1) of the Act as:

“(a) a registered trade mark or international trade mark (UK), 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”

5. The UK designation dates of the Opponent’s trade marks are prior to the filing date of the contested mark. Therefore the Opponent’s marks constitute earlier marks under the Act.

6. Since the UK marks had been protected for more than five years when the contested mark was applied for, they are subject to the use provisions under section 6A of the Act. The Opponent duly provided statements of use in respect of their marks.

7. Under section 5(4)(a), the Opponent relies upon the following sign:

NATUREO

Used throughout the UK since 2008  
Used in relation to wines, low alcohol  
wines, de-alcoholised wines.

*The Opponent’s case*

*Section 5(2)(b)*

8. Under section 5(2)(b) the Opponent submits that:

- (i) the dominant and distinctive element in the Applicant’s mark is the word “NATURA”, which is visually and phonetically highly similar to the Opponent’s mark; and conceptually highly similar, if not identical, with both marks alluding to nature, or being natural;
- (ii) the dominant component in the comparison of the marks is the phonetic similarity due to verbal recommendations and verbal ordering in bars and restaurants;

- (iii) its NATUREO marks possess an increased level of distinctiveness as they do not allude to the goods under the mark, and the marks have acquired distinctiveness through longstanding use;
- (iv) the relevant consumer can buy wines on the spur of the moment and taking account of the lowest common denominator of the impulse purchaser, confusion could occur (O/031/09 *LE TRAPPISTE*);
- (v) the goods under the Applicant's and Opponent's marks are identical and highly similar;
- (vi) due to the above factors, there is clearly a likelihood of confusion including a risk of association on the part of the public.

### *Section 5(3)*

9. Under Section 5(3), the Opponent submits that:

- (i) through continuous use since 2008, the Opponent's marks have acquired a significant reputation for its wines, which have a coveted reputation for being high quality and good tasting;
- (ii) consumers will confuse the Applicant's wines with those of the Opponent;
- (iii) use of the Applicant's mark would take unfair advantage of the Opponent's attractive reputation and benefit from increased sales by riding on the coattails of the Opponent's reputation;
- (iv) use of the Applicant's mark would be detrimental to the repute and distinctive character of the Opponent's marks. The Opponent would not have control over the quality and image of the Applicant's wines and the Opponent's reputation may be eroded, diluted and tarnished by negative association. The Opponent's marks would lose their lustre and prestige and be less desirable to the relevant public.

### *Section 5(4)(a)*

10. Under section 5(4)(a), the Opponent submits that:

- (i) through consistent use of its unregistered sign, it has built up substantial goodwill and reputation;

- (ii) the Applicant would gain an unfair advantage by appropriating and misrepresenting the Opponent's goodwill and reputation;
- (iii) damage would result.

### The Applicant's case

#### *Section 5(2)(b)*

11. The Applicant states that the opposition under section 5(2)(b) should be dismissed. The Applicant puts the Opponent to strict proof that its marks are "currently in force" and submits that:

- (i) NATUREO refers to the word "natural" so the Opponent's marks are of weak distinctive character referring to "natural wine". The Opponent's marks do not have an increased level of inherent distinctive character;
- (ii) the words NATUREO and NATURA are visually and phonetically different as a result of their endings. The marks are conceptually different other than to the extent that they both allude to the goods being natural;
- (iii) having regard to the way wine is purchased, the public can easily distinguish the marks because of their differences;
- (iv) there is no likelihood of confusion when comparing the marks as their wholes;
- (v) the Applicant admits that the Applicant's and Opponent's goods are identical and highly similar.

#### *Section 5(3)*

12. The Applicant states that the opposition under section 5(3) should be dismissed. The Applicant denies that use of the Application is without due cause or takes unfair advantage of, or is detrimental to, the distinctive character and repute of the Opponent's marks. The Applicant puts the Opponent to strict proof of use and reputation of its marks.

### *Section 5(4)(a)*

13. The Applicant states that the opposition under section 5(4)(a) should be dismissed. The Applicant puts the Opponent to strict proof that it has acquired goodwill in the claimed sign and submits that even if goodwill is established, it is denied that any damage would result from use of the contested Application.

### *Representation and papers filed*

14. Both parties filed evidence in these proceedings, with the Opponent filing the witness statement, dated 14 June 2022, of Àngels Rosell Pujol, legal representative of the Opponent in Spain. Ms Rosell Pujol introduces eight exhibits, numbered ARP1 to ARP8, which are aimed at showing the use, reputation and goodwill of the Opponent's marks and sign. The Applicant filed the witness statement, dated 15 August 2022, of Rosemary Cardas, Trade Mark Attorney at Keltie LLP. Ms Cardas introduces three exhibits, numbered RC1 to RC3, which concern references to "natural" used in relation to wine.

15. In these proceedings the Opponent is represented by Murgitroyd & Company and the Applicant by Keltie LLP. Neither party requested a hearing and both parties filed submissions in lieu of a hearing. This decision is taken following a careful assessment of the papers.

### **Decision**

16. Although the UK has left the EU, 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 upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

## Proof of use

17. The relevant statutory provisions are as follows:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(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), (aa) 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.

[...]

(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.”

18. Section 100 of the Act is also relevant; it reads:

“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.”

19. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J (as he was then) summarised the law relating to genuine use as follows:

“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 Bunderversvereinigung 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].

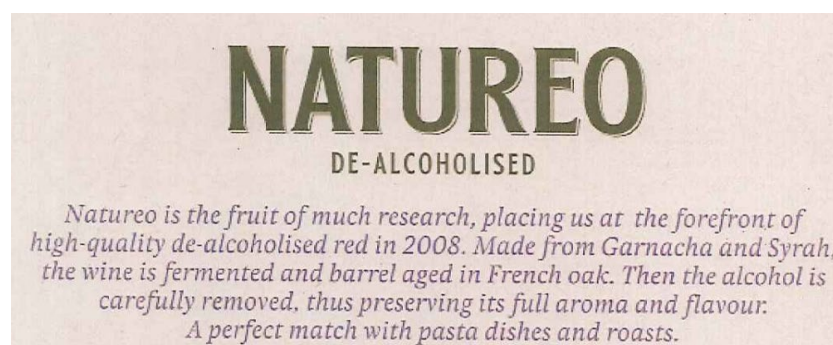
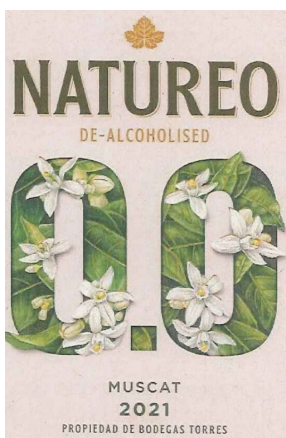
(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

20. Under section 6A of the Act the Opponent must show use of its mark during the five years up to the date when the contested application was applied for, that is 11 August 2016 to 10 August 2021 (“**the relevant period**”). I note that some of the

evidence of sales and promotional activity relates to use of the earlier marks after the date on which the application was filed. Unless the evidence casts light on matters prior to the application date, it is unlikely to assist the opponent because the relevant date for assessing the merits of the opposition under sections 5(2)(b) and 5(3) of the Act is the date on which the application was filed: 10 August 2021.

21. Ms Rosell Pujol describes the history of the Opponent company, which is the largest winery in Spain and was founded in 1870. The Opponent also has wineries in Chile and the United States. Exhibits ARP1 and ARP2 refer to the prestige of the Opponent shown through the awards and accolades it has received. While these exhibits evidence the renown of the Opponent, they do not make reference to the Opponent's NATUREO marks, so do not support a finding of genuine use.

22. Exhibit ARP3 and ARP4 comprise undated images of the Opponent's labels and their wines displayed in Sainsbury's:



23. In *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22, Phillip Johnson, sitting as the Appointed Person, considered the correct approach to the assessment of variant use. He said:

“13. [...] While the law has developed since *Nirvana* [BL O/262/06], the recent case law still requires a comparison of the marks to identify elements of the mark added (or subtracted) which have led to the alteration of the mark (that is, the differences) (see for instance, T-598/18 *Grupo Textil Brownie v EU\*IPO*, EU:T:2020:22, [63 and 64]).

14. The courts, and particularly the General Court, have developed certain principles which apply to assess whether a mark is an acceptable variant and the following appear relevant to this case.

15. First, when comparing the alterations between the mark as registered and used it is clear that the alteration or omission of a non-distinctive element does not alter the distinctive character of the mark as a whole: T-146/15 *Hypen v EUIPO*, EU:T:2016:469, [30]. Secondly, where a mark contains words and a figurative element the word element will usually be more distinctive: T-171/17 *M & K v EUIPO*, EU:T:2018:683, [41]. This suggests that changes in figurative elements are usually less likely to change the distinctive character than those related to the word elements.

16. Thirdly, where a trade mark comprises two (or more) distinctive elements (eg a house mark and a sub-brand) it is not sufficient to prove use of only one of those distinctive elements: T-297/20 *Fashioneast v AM.VI. Srl*, EU:T:2021:432, [40] (I note that this case is only persuasive, but I see no reason to disagree with it). Fourthly, the addition of descriptive or suggestive words (or it is suppose figurative elements) is unlikely to change the distinctive character of the mark: compare, T-258/13 *Artkis*, EU:T:2015:207, [27] (ARKTIS registered and use of ARKTIS LINE sufficient) and T-209/09 *Alder*, EU:T:2011:169, [58] (HALDER registered and use of HALDER I, HALDER II etc sufficient) with R 89/2000-1 CAPTAIN (23 April 2001) (CAPTAIN registered and use of CAPTAIN BIRDS EYE insufficient).

17. It is also worth highlighting the recent case of T-615/20 *Mood Media v EUIPO*, EU:T:2022:109 where the General Court was considering whether the use of various marks amounted to the use of the registered mark MOOD MEDIA. It took the view that the omission of the word “MEDIA” would affect the distinctive character of the mark (see [61 and 62]) because MOOD and MEDIA were in combination weakly distinctive, and the word MOOD alone was less distinctive still”.

24. The Opponent’s “NATUREO” mark appears on its label with other material, some of which is descriptive, referring to the characteristics of the product: “de-alcoholised”, “Muscat”, “2021”, “0.0”; figurative features also appear in respect of a leaf, colours and plants within the number “0.0”. Though none of these elements are present in the Opponent’s registered marks, they comprise descriptive/suggestive terms and figurative elements, which do not in my view alter the distinctive character of the earlier marks. “NATUREO” is shown to appear on its labels in the place that one would expect to see the trade mark of the wine. Taking account of these points, and also noting that the Applicant does not make submissions on the differences between Opponent’s marks and the labels, I find that the use shown on the wine labels constitutes an acceptable variation of the Opponent’s registered marks.

25. In its submissions in lieu of a hearing, the Applicant argues that the Opponent’s evidence falls a long way short of that required to substantiate a claim of genuine use. Specifically, the Applicant contends that the Opponent’s sales and advertising figures are unsubstantiated, with no invoices, catalogues, price lists, or website extracts provided showing how the marks were advertised, or that sales were made. With regards to the images of labels and bottles on a supermarket shelf, the Applicant highlights that the images are undated and that there is no statement confirming the date of the photograph, or the dates the labels were used. The Applicant also submits that there is no evidence of the geographical spread of the sales.

26. The Applicant refers to the comments of Daniel Alexander KC in *Guccio Gucci SpA v Gerry Weber International AG*, Case BL O/424/14:

"The Registrar says that it is important that a party puts its best case up front - with the emphasis both on "best case" (properly backed up with credible exhibits, invoices, advertisements and so on) and "up front" (that is to say in the first round of evidence). Again, he is right. If a party does not do so, it runs a serious risk of having a potentially valuable trade mark right revoked, even where that mark may well have been widely used, simply as a result of a procedural error. [...] The rule is not just "use it or lose it" but (the less catchy, if more reliable) "use it - and file the best evidence first time round - or lose it"" [original emphasis].

27. In *Awareness Limited v Plymouth City Council*, Case BL O/236/13, Mr Alexander K.C. 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."

28. In my view, there is more evidence that the Opponent could have provided, in terms of invoices, evidence of its NATUREO wines for sale on its website or in catalogues, or evidence of how the claimed promotional spend was used. However, it is the overall picture of the evidence that I must consider, rather than a checklist of particular documents.

29. Though the date that the photograph of the Sainsbury’s shelf is not shown, Exhibit ARP7 shows that thousands of 9 litre cases of the Opponent’s NATUREO wine were sold to Sainsbury’s supermarket in the UK during the relevant period, between April 2020 and April 2021. The following is an extract from ARP7:

Fecha Factura		Doc.venta	Nº pedido cliente	Solicitante	Grupo de artículos			Total general
30/06/2009		20023178	20264	SAINSBURY'S SUPERMARKETS LIMITED	NATUREO BLANCO 0.0	NATUREO ROSADO 0.0	NATUREO TINTO 0.0	
17/04/2020	20104592	23245545		SAINSBURY'S SUPERMARKETS LIMITED		525		525
17/04/2020	20104593	23245546		SAINSBURY'S SUPERMARKETS LIMITED			600	600
17/04/2020	20104594	23245544		SAINSBURY'S SUPERMARKETS LIMITED	525			525

30. The sales are stated to be of “NATUREO 0.0”, which the evidence indicates is the Opponent’s non-alcoholic wine.

<sup>1</sup> (the full years falling during the relevant period) between 16,000 and 26,000 9 litre cases of “NATUREO” were shipped annually to the UK. With 12 bottles per 9 litre case, this equates to between 192,000 and 312,000 bottles each year and Exhibit ARP6 confirms that this generated turnover of between £0.5 million and £0.8 million annually. In addition to the sales to Sainsbury’s supermarket, Exhibit ARP7 also shows several thousands of sales of nine litre cases of “NATUREO 0.0” to other UK supermarkets throughout the relevant period, including Tesco, Waitrose and Morrisons. Though the evidence does not show the specific UK locations of these supermarkets, with hundreds of thousands of bottles shipped to very large businesses, with outlets spread throughout the UK, I consider the evidence to indicate a likelihood of a good spread of sales throughout the UK.

32. In terms of advertising, Exhibit ARP8 comprises a list of promotional spend and I note that between 2019 and 2021 thousands of pounds was spent on promotional activities, primarily through Waitrose and Amazon. Examples of the promotions have not been provided, though they are described in terms such as “Fathers Day Promotional Activations 2020 – Natureo Muscat” and “Subscribe & Save Vouchers – Nov 2020 – Natureo Red”. Ideally the evidence would have included specific

<sup>1</sup> Exhibit ARP6.

examples of the promotions, showing how and where the marks appeared, however, having regard to the evidence as a whole, I consider it sufficient to show that genuine use had been made of the Opponent's "NATUREO" mark during the relevant period.

33. Turning to consider the specific goods in respect of which the NATUREO mark had been used, all of the use is in respect of non-alcoholic wine, with labels and product names in sales reports featuring the number "0.0" as a reference it would seem to there being 0.0% alcohol in the wine. The Opponent has brought no evidence to show that its marks have been used in respect of wines in Class 33, which contain alcohol. With regards to framing a fair specification, in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

"In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

34. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows (at [47]):

"iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].



v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

35. The 890 mark is registered in respect of non-alcoholic beverages, namely, wines without alcohol in Class 32. The formulation of the specification of the 890 mark which uses the term "namely" limits the goods to wines without alcohol. On the basis of the evidence before me, I find that a fair specification of goods under the 890 mark covers all the goods set out under Class 32, that is non-alcoholic beverages, namely, wines without alcohol.

36. The Opponent relies on all the goods registered under its 721 mark, these being, Alcoholic beverages (except beers) in Class 33. As already stated, no use is shown

in respect of alcoholic wine and no use is shown in respect of any other alcoholic beverage. The question I must consider is whether a fair specification of goods would extend from non-alcoholic wine to its alcoholic counterpart, or any other alcoholic goods (other than beers). I consider it likely that the UK market for non-alcoholic wine is relatively small when compared to alcoholic beverages (except beers). While I am alive to the fact that I must not give the narrowest definition of the Opponent's goods, I consider that extending a fair specification to alcoholic wine, or other alcoholic goods would extend the protection too far.

37. It is well established that evidence must be viewed as a whole. Though there is probably more evidence that could have supported the Opponent's claim of genuine use, in my view the evidence as a whole shows that genuine use was made of the mark NATUREO in the UK in respect of non-alcoholic wine between 2016 and 2021. Given that no genuine use has been shown in of alcoholic beverages under the 721 mark, my consideration of the grounds of opposition under section 5(2)(b) and 5(3) will continue in respect of the Opponent's 890 mark only.

### **Section 5(2)(b)**

38. Section 5(2)(b) of the Act states:

“5. - (2) A trade mark shall not be registered if because-

[...]

(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”.

39. Section 5A of the Act states:

5A. - Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade

mark is applied for, the application is to be refused in relation to those goods and services only.

*The case law on section 5(2)(b)*

40. 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:

(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 greater 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 the goods*

41. Taking account of my findings on genuine use, the goods to be compared are:

<b>Opponent's 890 mark</b>	<b>Applicant's mark</b>
<b>Class 32:</b> Non-alcoholic beverages, namely, wines without alcohol	<b>Class 33:</b> Wines

42. In its submissions in lieu of a hearing, the Applicant states that the Opponent's goods are identical. The Opponent expands on this point, stating that:

“notwithstanding that “wines without alcohol” fall in Class 32, not Class 33 under the Nice classification system, the average consumer, of wine or alcohol in general will consider the term “wine” as including wines without alcohol, because they would consider the latter to be a subset of wine.”

43. In considering the extent to which there may be similarity between the goods, I take account of the guidance from relevant case law. Thus, in *Canon* the CJEU stated that:

“In assessing the similarity of the goods or services concerned, ... 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”.<sup>2</sup>

44. The relevant factors identified by Jacob J. (as he then was) in the *Treat*<sup>3</sup> case for assessing similarity were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

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<sup>2</sup> Case C-39/97, at paragraph 23.

<sup>3</sup> *British Sugar PLC v James Robertson & Sons Ltd.*, 1996 R.P.C. 281.

(f) The extent to which the respective goods or services are competitive.

45. In *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)*, the General Court of the European Union stated that goods and/or services can be considered as identical when the goods and/or services designated by the trade mark application are included in a more general category designated by the earlier mark (and vice versa).<sup>4</sup>

46. I agree with the Opponent's reasoning that the goods are identical under the *Meric* principle as "wines" would include non-alcoholic wines. If this assessment is incorrect and the goods are not identical, I consider them to be highly similar as they are produced through largely the same processes of fermentation and ageing in barrels, with the Opponent's de-alcoholised wine having the alcohol removed at the last step.<sup>5</sup> The goods also share the same uses and physical nature, they will be produced by the same operators and they will share the same trade channels.

#### *Comparison of the marks*

47. It is clear from *Sabel BV v. Puma AG*<sup>6</sup> (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to 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 *Bimbo SA v OHIM*,<sup>7</sup> 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

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<sup>4</sup> *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)*, case T-133/05 at paragraph 29. See Case T-388/00 *Institut für Lernsysteme v OHIM — Educational Services (ELS)* at paragraph 53 for this principle applied to services.

<sup>5</sup> See label from Exhibit ARP3, reproduced at paragraph 22.


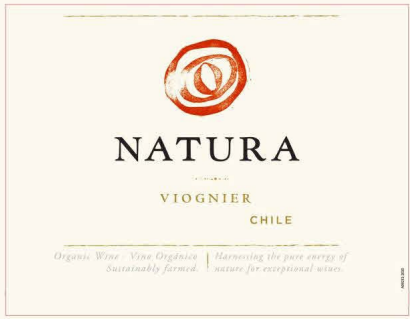
<sup>6</sup> Case C-251/95.

<sup>7</sup> Case C-591/12P.

and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

48. It would be wrong, therefore, to artificially dissect the trade marks, although, 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.

49. The Applicant’s and Opponent’s marks are shown below:

Opponent’s 890 mark	Applicant’s mark
	

50. The overall impression of the Opponent’s 890 mark is of the invented/non-English word “NATUREO”, which alludes to the concept of nature, being the word “NATURE” with an additional letter “O” at the end.

51. The overall impression of the Applicant’s mark is informed primarily by the invented/non-English word “NATURA”, and I note the Applicant’s view that “the most distinctive and prominent word of its mark is “NATURA””. “NATURA” also alludes to the concept of nature, in this case being the word “NATURE” with the letter “A” at the end, in place of the letter “E”. The word “NATURA” appears beneath an image of three red concentric oval shapes which, despite being relatively large within the mark, as a whole play a lesser role than the words. The Applicant’s mark also includes the descriptive words “VIOGNIER” and “CHILE”, and the descriptive/promotional phrases “Organic Wine – Vino Organico”, “Sustainably farmed” and “Harnessing the pure energy of nature for exceptional wines.” The descriptive and promotional phrases do not have much impact on the overall

impression of the Applicant's mark, due to their non-distinctive nature and the fact that they are written in much smaller and lighter coloured text.

#### *Visual similarity*

52. Visually, the marks align in their initial five letters "NATUR". The marks differ visually in respect of their end letters, which in the Opponent's mark are "EO" and the Applicant's mark, the letter "A". The marks also differ visually in respect of the additional words, figurative elements and colour in the Applicant's mark, which have no counterpart in the Opponent's mark, but play a lesser role in the overall impression. Overall, I find the marks to be visually similar to a medium degree,

#### *Aural similarity*

53. Aurally, the Applicant submits that the marks are dissimilar and refers to the different number of syllables in "NATURA" and "NATUREO". The Applicant also submits that the "U" sound in "NATURA" is phonetically longer than the sound of the same letter in "NATUREO". The Opponent submits that the first two syllables are the same and the difference in the endings "EO" and "A" may be swallowed in speech, meaning that overall "the marks sound alike".

54. My assessment is that the Opponent's mark comprises the four syllables "NAT" "TUR" "REY" "YO". The element having the greatest impact in the Applicant's marks is the word "NATURA", which comprises the three syllables "NAT" "TUR" "RAA". I consider that the marks align in respect of their first two syllables, and differ in their endings. The other words in the Applicant's mark have a lesser impact and may not be verbalised. With the principle that the beginnings of words tend to have a greater impact than the ends, I find the marks to be aurally similar to a high degree.

#### *Conceptual similarity*

55. In terms of conceptual comparison, the Applicant only states that "neither mark has a meaning", no conceptual comparison is therefore set out by the Applicant. The



Opponent submits that neither marks are recognised English words but both allude to “nature” and so “convey the same idea/conceptual impression”.

56. In *Usinor SA v OHIM*, Case T-189/05, the General Court found that:

“62. In the third place, as regards the conceptual comparison, it must be noted that while the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Lloyd Schuhfabrik Meyer*, paragraph 25), he will nevertheless, perceiving a verbal sign, break it down into verbal elements which, for him, suggest a concrete meaning or which resemble words known to him (Case T-356/02 *Vitakraft-Werke Wührmann v OHIM – Krafft (VITAKRAFT)* [2004] ECR II-3445, paragraph 51, and Case T-256/04 *Mundipharma v OHIM – Altana Pharma (RESPICUR)* [2007] ECR II-0000, paragraph 57).

63. In the present case, the Board of Appeal correctly found that the signs at issue have a common prefix, ‘galva’, which evokes the technique of galvanisation, that is, the act of fixing an electrolytic layer to a metal to protect it from oxidation.

64. By contrast, the Board of Appeal incorrectly took the view that a conceptual comparison of the second part of the signs was not possible, because the suffixes ‘llia’ and ‘lloy’ were meaningless.

65. That conclusion is based on an artificial division of the signs at issue, which fails to have regard to the overall perception of those signs. As stated in paragraph 59 above, the relevant public, which is French-speaking but has knowledge of the English language, will recognise in the mark applied for the presence of the English word ‘alloy’, corresponding to ‘alliage’ in French, even if the first letter of that word (‘a’) has merged with the last letter of the prefix ‘galva’, according to the usual process of haplology. That mark will therefore be perceived as referring to the concepts of galvanisation and alloy.

66. As far as the earlier mark is concerned, the suffix ‘allia’ is combined with the prefix ‘galva’ in the same way. The evocative force of the suffix ‘allia’ will enable

the relevant public – on account of its knowledge and experience – to understand that that is a reference to the word ‘alliage’. That process of identification is facilitated still further by the association of the idea of ‘alliage’ (alloy) with that of galvanisation, the suffix ‘allia’ being attached to the prefix ‘galva’.

67. By breaking down the signs at issue, the relevant public will therefore interpret both signs as referring to the concepts of galvanisation and alloy.

68. Consequently, the conclusion to be drawn is, as the applicant correctly maintains, that the signs at issue are conceptually very similar, inasmuch as they both evoke the idea of galvanisation and of an alloy of metals, although that idea is conveyed more directly by the mark applied for than by the earlier mark”.

57. Though the average UK consumer will see the words “NATUREO” and “NATURA” as non-English words, I consider that, in line with the General Court’s comments, they will break the words down into understandable verbal elements which suggest a concrete meaning, or which resemble known words. With this in mind, I consider that the concept of the Opponent’s mark is informed solely by the word “NATUREO”, which will be understood as an invented/non-English word which alludes to nature. The concept of the Applicant’s mark is mainly informed by the invented/non-English word “NATURA” which also alludes to nature. The other figurative and descriptive elements in the Applicant’s mark play less of a role in informing the conceptual nature of the mark (and none is described by either party). I find that the Applicant’s and Opponent’s marks are conceptually similar to a very high degree.

#### *Average consumer and the purchasing act*

58. It is necessary to determine who is the average consumer for the respective goods and how the consumer is likely to select them.

59. In *Hearst Holdings Inc*,<sup>8</sup> Birss J. (as he was then) explained that:

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<sup>8</sup> *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), at paragraph 60.

*“60 The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect*

*... the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The word “average” denotes that the person is typical ...”*

60. It must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods in question: *Lloyd Schuhfabrik Meyer*.<sup>9</sup>

61. The goods under the marks are wines and non-alcoholic wine. The Opponent submits that the goods can be easily purchased and are often purchased on the spur of the moment. The Opponent also states that even a wine connoisseur will take less care when selecting a bottle of wine for everyday consumption. The Applicant does not comment on the nature of the average consumer.

62. In my view, wines and non-alcoholic wines are mainly an everyday purchase with a relatively low price point. Though some wines are more costly, I will focus on the part of the market where confusion is more likely. The average consumer will include professionals, for example, those buying for bars and restaurants, but the general public, aged over 18, will be the primary purchaser. I consider that the average consumer will usually pay attention to characteristics including the country of origin, type of wine and alcohol content. I therefore consider the average consumer will pay a medium degree of attention when purchasing the goods.

63. The goods will mainly be selected from a shelf in a supermarket, convenience store or off licence. They will also be purchased online from supermarket websites or wine specialists. Visual considerations are therefore key. The Opponent submits that phonetic considerations are dominant due to ordering in bars or word of mouth recommendations. Though I agree that aural factors will play a part, I do not consider

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<sup>9</sup> Case C-342/97.

them to be dominant, because bar and restaurants are only one setting where the goods will be purchased and when ordering in these settings, this is usually done by reference to a visual menu.

*Distinctive character of the earlier mark*

64. Distinctive character is the capacity of the mark to identify the goods or services for which it is registered as coming from a particular undertaking, and to distinguish those goods or services from those of other undertakings: see *Lloyd Schuhfabrik Meyer*, paragraph 22.

65. Registered trade marks possess varying degrees of inherent distinctive character, perhaps lower where a mark may be suggestive or allusive of a characteristic of the goods, ranging up to those with high inherent distinctive character, such as invented words which have no allusive qualities. The inherent distinctive character may be enhanced through the use that has been made of the mark.

66. In *Lloyd Schuhfabrik Meyer*, the CJEU set out how an assessment of a mark's distinctive character should be made:

“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 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).”

67. The Applicant’s evidence in these proceedings provided by Ms Cardas includes a Wikipedia page for “Natural wine”, which is defined as referring to “a generalized movement among winemakers for production of wine using simple or traditional methods”.<sup>10</sup> Exhibit RC2 of the Applicant’s evidence comprises a screenshot from the Applicant’s website, which confirms the link between the Applicant’s NATURA wine and nature:



68. The third exhibit of the Applicant’s evidence comprises an online article from Esquire.com, dated 6 September 2021, which discusses the popularity of natural wine:

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<sup>10</sup> Exhibit RC1.

## Why is everyone suddenly drinking natural wine?

Because it's cool! No really, a lot of the popularity of natural wine has been put down to it being the next trendy fad coming out of restaurants where they write "cheeseburger, £24" on your paper tablecloth in lieu of a menu. But in many parts of the world, natural wine-making has a rich heritage. Take for example the orange wines which have been coming out of Georgia since 6000 BC.

In cities across Europe, the UK, America and Australia, natural wine culture has a similar scene to that of the craft beer world a few years ago. Natural wine is made by small, often independent growers, meaning that there is limited production and a scarcity of bottles on offer. A bottle you love might be one you can never track down again, making it feel more exciting than the same bottle of malbec which will always taste the same and be available by the box.

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69. The Applicant's position is that the Opponent's mark, "NATUREO" is low in distinctiveness as it alludes to natural, which is a characteristic of wine. In my view, the Applicant's evidence is not particularly persuasive in showing that "natural wine" is a category of wine. Of the three exhibits filed, Wikipedia is open to amendment by members of the public; the second exhibit is from the Applicant's own website; and the third comprises a single article where the readership is not clear. Nevertheless, I am aware that many consumer products, food and drinks can be marketed as natural, with the appeal to consumers being a reduced impact on the environment, or a healthier option.

70. Even if I accept that "natural" is a characteristic for wine, the Opponent's mark is "NATUREO" which is not the word "natural". Though "NATUREO" is close to the word "nature" and alludes to nature, the term is not in my view descriptive and has not been shown by the Applicant to be so.

71. In conclusion the Opponent's mark is an invented term that would not be understood by the average UK consumer. Though invented terms tend to possess a higher degree of distinctive character, the mark does allude to "nature", which could lead consumers to think of "natural". Overall, I consider the Opponent's mark to possess a medium degree of inherent distinctive character.

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<sup>11</sup> Exhibit RC3.

72. The Opponent submits that its mark has acquired a high degree of distinctive character because of the use that has been made of it, a position that is contested by the Applicant. In my view (and as the Applicant highlights), the Opponent's evidence has certain weaknesses and is light on how consumers have interacted with the mark, with limited examples of how the mark has been used, little evidence of the promotional activity carried out and no statements from the trade. Though the sales figures appear significant with hundreds of thousands of bottles sold, there is no market share information to put this into context. Weighing the limitations of the evidence against ten years of sales and hundreds of thousands of bottles sold, through major supermarkets, I consider that the Opponent's evidence has resulted in a small enhancement to the distinctive character of the 890 mark.

#### *Likelihood of confusion*

73. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all of the factors, weighing them, and looking at their combined effect, in accordance with the authorities set out earlier, in particular at my paragraph 40.

74. There are two types of confusion that I may find. The first type is direct confusion which occurs where the consumer mistakes one mark for another. The second type is indirect confusion, where the consumer notices the differences between the marks, but due to the similarities between the common elements, they believe that the goods or services derive from the same, or a related, economic undertaking. Indirect confusion was explained by Mr Iain Purvis QC (as he was then), sitting as the Appointed Person, in *Back Beat Inc v L.A. Sugar (UK) Limited*, BL O/375/10:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later

mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark".

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ("26 RED TESCO" would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand extension (terms such as "LITE", "EXPRESS", "WORLDWIDE", "MINI" etc).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ("FAT FACE" to "BRAT FACE" for example)."

75. In my decision, I have found the goods to be identical, or at least highly similar. I have found the marks to be visually similar to a medium degree, aurally similar to a high degree and conceptually similar to a very high degree. I have found the Opponent's mark to possess a medium degree of distinctive character, which has been enhanced by a small degree. I have found the average consumer to be primarily the general public, with visual and aural considerations being relevant in the purchase of the goods and that the average consumer will pay a medium degree of attention when purchasing the goods.



76. Weighing these findings, I consider that the identity, or high degree of similarity of the goods, taken together with the respectively high and very high degrees of aural and conceptual similarity would be likely to lead the average consumer, paying a medium degree of attention to directly confuse the Applicant's and Opponent's marks. Though I have found the marks to share only a medium degree of visual similarity (which is a relevant consideration in the purchase of the goods), the visual points of difference in the Applicant's mark mainly concern non-distinctive or descriptive matter. Though the Opponent's earlier mark could allude to its goods being natural, the mark is an invented word that will not be understood by the average UK consumer. Consumers rely upon the imperfect picture of marks that they have kept in their mind and I find that consumers seeing the invented word "NATUREO" in the Opponent's mark and the dominant "NATURA" in the Applicant's mark will be likely to directly confuse the marks.

*Outcome under section 5(2)(b)*

77. The section 5(2)(b) ground of opposition succeeds in full.

### **Section 5(3)**

78. Section 5(3) of the Act 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 European Union trade mark or international trade mark (EC), in the European Union) 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.

(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected”.

79. The relevant case law in respect of section 5(3) can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. 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* and *Environmental Manufacturing, paragraph 34*.

(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 of 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*).

80. The Opponent claims a reputation for both of its earlier registrations, but my finding on genuine use means that, as with section 5(2)(b), I will only consider the 890 mark under the section 5(3) ground.

81. The conditions of section 5(3) are cumulative. Firstly, the Opponent must show that the earlier mark is similar to the Applicant's mark. 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 mark. 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 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.

82. The first condition of similarity between the marks is satisfied, as found earlier in this decision.

### *Reputation*

83. As I have already stated, the Opponent's evidence of use of "NATUREO" in the UK is limited in some respects. Though I found that the Opponent had shown genuine use of its 890 mark, I found that there had only been a small enhancement to the distinctive character of the mark. Whether a mark has a qualifying reputation for the purposes of section 5(3) depends on whether a knowledge threshold has been passed, in this case, whether NATUREO was known to a significant proportion of the relevant public concerned with non-alcoholic wine.

84. The following factors from *General Motors* are relevant:

"25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

85. Although what appear to be significant sales figures for goods sold under the mark have been provided, there is no evidence of the market share held by the earlier mark. Consequently it is not possible to say whether the earlier mark is a leading brand for the goods for which it is registered, or just one of many. The Opponent provides a list of the promotions it carried out in respect of the mark, but no examples of these are provided, and few examples of the mark in use are provided.

86. On the basis of the evidence before me, I find that the Opponent has not shown evidence of a qualifying reputation and therefore the section 5(3) claim falls at the first hurdle.

*Outcome under section 5(3)*

87. The section 5(3) ground of opposition fails.

## Section 5(4)(a)

88. 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-

(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.”

89. Subsection (4A) of section 5 states:

“(4A) 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.”

90. 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)."

91. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation<sup>1</sup> among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source<sup>2</sup> or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

- (a) the nature and extent of the reputation relied upon,
- (b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;

- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action”.

### *Goodwill*

92. *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) provides the following definition of goodwill:

“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.”

93. 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 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.”

94. 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.”

95. In *Smart Planet Technologies, Inc. v Rajinda Sharma* [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.”

96. 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."

97. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its goodwill and reputation may be small. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, the Court of Appeal in England and Wales held that the defendant had passed off its LUMOS nail care products as the claimant's goods. The claimant had been selling LUMOS anti-ageing products since 2007. The goods retailed at prices between £40 and £100 per bottle. The Claimant's sales were small, of the order of £2,000 per quarter from early 2008 to September 2009, rising to £10,000 per quarter by September 2010. The vast majority of these sales were to the trade, including salons, clinics and a market. As at the relevant date (October 2010) the Claimant had sold to 37 outlets and by that date it was still selling to 25 outlets. There was evidence of repeat purchases. Although the number of customers was small, or, as the judge at first instance put it, "very limited", the claimant's goodwill was found to be sufficient to entitle it to restrain the defendant's trade under LUMOS.

98. Exhibit RC2 comprises an extract from the Applicant's website downloaded on 15 August 2022, which is after the date of filing the contested application. The Applicant has filed no other evidence that it has used its mark. This means that the

position under section 5(4)(a) will be assessed at the dates when the Applicant applied to register its trade mark, 20 May 2021.<sup>12</sup>

99. The Opponent claims to have goodwill in respect of the sign “NATUREO” which is the same as its earlier registered trade marks. Earlier in my decision I found the Opponent to have established genuine use of its 890 mark. I then went on to find that the distinctive character of the 890 mark had been enhanced, albeit by only a small degree. For the same reasons identified on genuine use and enhanced distinctive character, I consider that the Opponent has established that it owned goodwill in the UK under the sign “NATUREO” at the relevant date. The Opponent claimed goodwill in respect of wines, low alcohol wines, and de-alcoholised wines, but I consider that for the same reasons set out previously, goodwill has only been shown in respect of non-alcoholic wine.

#### *Misrepresentation*

100. For the same reasons that I found that use of the Applicant’s mark would cause direct confusion with NATUREO if used in relation to wine, I find that the use of the Applicant’s mark would be likely to deceive a substantial number of the customers, or potential customers for NATUREO into believing that the Applicant’s goods are marketed by the same undertaking, or a related undertaking.

#### *Damage*

101. Damage will readily be inferred where use of a contested mark would constitute a misrepresentation to the public that there is a connection with another party trading in the same goods. Therefore, the opposition under section 5(4)(a) succeeds.

#### *Outcome under section 5(4)(a)*

102. The opposition under section 5(4)(a) succeeds in full.

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<sup>12</sup> *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Mr Daniel Alexander QC, sitting as the Appointed Person.

## Overall outcome

103. The grounds of opposition under section 5(2)(b) and 5(4)(a) succeed. The opposition under section 5(3) fails.

104. Subject to any successful appeal, the Applicant's mark will be refused.

## Costs

105. The Opponent has been successful and is entitled to a contribution towards its costs.

Official fees	£200
Preparing a statement and considering the other side's statement	£400
Preparing evidence and considering and commenting on the other side's evidence	£1,000
Preparing submissions in lieu of a hearing	£400
TOTAL	£2,000

106. I order Banfi Products Corporation and Vinedos Emiliana S.A. to pay Miguel Torres S.A. the sum of £2,000. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 5<sup>th</sup> day of May 2023**

**Charlotte Champion**  
**For the Registrar**