

O/126/15

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2621500**

**BY**

**TESCO STORES LIMITED**

**TO REGISTER THE TRADE MARK**

**PRIMERA PIEDRA**

**IN CLASS 33**

**AND**

**THE OPPOSITION THERETO**

**UNDER NO 103867**

**BY**

**ESTANCIA PIEDRA, S.L.**

## BACKGROUND

1. On 18 May 2012, Tesco Stores Limited (the applicant) applied to register the above trade mark in class 33 of the Nice Classification system<sup>1</sup> as follows:

### **Class 33**

Alcoholic beverages (except beers); wines.

2. The application was published on 27 July 2012, following which Estancia Piedra, S.L. (the opponent) filed notice of opposition against the application.

3. The opposition is based on section 5(2)(b) of the Trade Marks Act 1994 (the Act). The opponent relies upon the following Community Trade Marks (CTMs):

<b>Mark details and relevant dates</b>	<b>Goods relied upon</b>
<p><b>CTM: 6479257</b></p>  <p><b>Filed:</b> 3 December 2007</p> <p><b>Entered in the register:</b> 20 January 2009</p> <p><b>Colours claimed:</b> Red, Black and Gold</p>	<p><b>Class 33</b></p> <p>Wines.</p>
<p><b>CTM: 6039201</b></p> <p><b>ESTATE PIEDRA</b></p> <p><b>Filed:</b> 26 June 2007</p> <p><b>Entered in the register:</b> 29 May 2008</p>	<p><b>Class 33:</b></p> <p>Wines</p>

<sup>1</sup> *International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).*

<p><b>CTM: 6113872</b></p> <p><b>PIEDRA ROJA</b></p> <p><b>Filed:</b> 19 July 2007</p> <p><b>Entered in the register:</b> 17 July 2008</p>	<p><b>Class 33:</b></p> <p>Wines</p>
<p><b>CTM: 6113872</b></p> <p><b>PIEDRA PLANTINO</b></p> <p><b>Filed:</b> 19 July 2007</p> <p><b>Entered in the register:</b> 18 May 2010</p>	<p><b>Class 33:</b></p> <p>Wines</p>

4. None of these marks had been registered for five years at the date of publication of the applicant's mark. Consequently, the proof of use requirement set out in s.6A of the Act does not apply.<sup>2</sup> Accordingly, the opponent is entitled to rely on its full specifications as registered for each of its earlier marks in these proceedings.

5. The applicant filed a counterstatement on 9 April 2014. It denies the grounds on which the opposition is based.

6. The applicant did not file evidence. The opponent filed written submissions in the period allowed for the filing of evidence. Neither side requested a hearing or filed written submissions in lieu of attendance at a hearing.

7. I give this decision following a review of all of the material before me.

## **DECISION**

8. Section 5(2)(b) reads as follows:

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

(a)...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

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<sup>2</sup> See section 6A of the Act (added by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004: SI 2004/946) which came into force on 5th May 2004.

## Section 5(2)(b) case law

9. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

### The principles

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

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

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

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

### **The average consumer and the nature of the purchasing act**

10. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*. In *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), Birss J. described the average consumer in these terms:

“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 parties were agreed that 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. The term ‘average’ does not denote some form of numerical mean, mode or median.”

11. The average consumer is a member of the general public<sup>3</sup>. The goods are made available through a variety of trade channels. They may be bought in a supermarket or off licence, where the selection is likely to be made by the consumer from a shelf. They may also be bought from a website or mail-order catalogue, where the consumer will also select the goods visually. In addition, such goods may also be sold through bars, clubs and public houses, where the goods may be displayed on a shelf and requested orally, from a member of staff. In considering this point I bear in mind the comments of the Court of First Instance (now the General Court) in *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*<sup>4</sup> when it said:

“In that respect, as OHIM quite rightly observes, it must be noted that, even if bars and restaurants are not negligible distribution channels for the applicant's goods, the bottles are generally displayed on shelves behind the counter in such a way that consumers are also able to inspect them visually. That is why, even if it is possible that the goods in question may also be sold by ordering them orally, that method cannot be regarded as their usual marketing channel. In addition, even though consumers can order a beverage without having examined those shelves in advance they are, in any event, in a position to make a visual inspection of the bottle which is served to them.”

12. Consequently, even though the purchase of these goods in a bar may involve an aural element, the selection will be made, primarily, from the display of goods on shelves and on optics at the back of the bar. Accordingly, the purchase of such goods is primarily visual, though I do not discount an aural element. The level of attention paid to the purchase will vary depending on the nature of the goods. As a general rule the goods are not particularly expensive. However, they will also include expensive wines which may give rise to a higher level of attention being paid. In any event the level of attention paid will be that

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<sup>3</sup> For goods where the alcohol content exceeds 0.5% ABV the average consumer will be over 18 years of age.

<sup>4</sup> T-3/04

necessary to achieve inter alia, the correct flavour, strength and variety. Accordingly, the average consumer will pay a reasonable level of attention.

### **Comparison of goods**

13. In comparing the goods, I bear in mind the following guidance provided by the General Court (GC) in *Gérard Meric v OHIM*, Case T-133/05:

*“29. ...goods can be considered identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”*

14. Both parties' specifications contain the term 'wines' which are clearly identical terms. The remaining goods in the application are 'alcoholic beverages' which is a broad term encompassing the 'wines' in the specifications of each of the opponent's earlier registrations. In accordance with *Meric*, these are also identical goods.

15. Whilst I note that there are other alcoholic beverages within the applicant's specification other than wines, the applicant has not put forward a revised specification and I am consequently not able to consider this point any further.

### **Comparison of marks**

16. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not 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>5</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 and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”*

17. It would be wrong, therefore, artificially to 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.

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<sup>5</sup> *Case C-591/12P*

18. I will compare the opponent's earlier marks in turn. The first comparison is as follows:

Opponent's mark	Applicant's mark
	PRIMERA PIEDRA

19. The first of the opponent's earlier marks is made up of a figurative element presented above the word PIEDRA. The device is a shield which is coloured yellow on the left hand side and black on the right. It is outlined in red and contains a number of black lines and what looks to be a black stylised leaf, though this is not clear.

20. The figurative element has a prominent position, being presented above the word and taking up about half of the overall mark. However, in my experience, this type of device is commonly used in respect of wine labels which often include, inter alia, crests and shields.

21. The word PIEDRA is presented in upper case with the R and A joined at the bottom of the letters. This feature and the lines above and below the word are unlikely to be given any origin significance. It will be seen as either an invented word or as a word from a different language and, in terms of the overall impression of the mark, it is the word which plays a greater role than the device, though the device is far from negligible and does clearly play a role within the totality of the mark.

22. The applicant's mark comprises the two words PRIMERA PIEDRA which will have no meaning to the average consumer in the UK who will consider them to be words of another language or invented words. The overall impression of the mark rests in its totality.

### Visual similarities

23. The opponent submits:

*"13...Considering the prominent position of the word 'PIEDRA' in the Opponent's mark and the fact that this word is entirely reproduced in the contested mark, it is submitted that the marks are visually similar."*

24. Any visual similarity between the marks rests in the fact that the second word of the mark applied for and the only word element of the earlier mark is in each case the word 'PIEDRA'.

25. There are a number of obvious differences between the marks such as the word 'PRIMERA' before the common word 'PIEDRA' in the mark applied for and additional shield device above the word PIEDRA in the earlier mark.

26. Taking all of these factors into account the marks are visually similar to a medium degree.

### **Aural similarities**

27. The opponent states that there is phonetic similarity due to the fact that the word element of its earlier mark is entirely reproduced in the mark applied for.

28. The mark applied for comprises the words PRIMERA PIEDRA. The aural element of the opponent's mark is the word PIEDRA. These are words which are not commonly understood by the average consumer and there are numerous ways in which they may be pronounced. However the consumer pronounces PIEDRA it will be the same in respect of both marks, with the addition of the word PRIMERA at the beginning of the applicant's mark.

29. I find there to be a somewhat higher degree of aural similarity than visual similarity between these marks, though this is still not at the highest level.

### **Conceptual similarities**

30. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.<sup>6</sup> The assessment must be made from the point of view of the average consumer who cannot be assumed to know the meaning of everything.<sup>7</sup>

31. In respect of this comparison the opponent submits:

*"12. The Applicant's mark consists of PRIMERA PIEDRA. The word "primera" means "first" and "piedra" means stone in the Spanish language. It is submitted that the average English speaking consumer is likely to be aware of the meaning of "primera" as it is visually and phonetically close to the English word "primary" which also means 'first'. It is submitted that English speaking consumers are unlikely to be aware of the Spanish meaning of the word "piedra" as it is not similar to its English equivalent, i.e. "stone", in any way..."*

32. In making a finding on this point I have considered the comments of the General Court in *Ontex NV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 353/04* in relation to evocative effects, when it said:

*"91. This evocative effect is independent of whether or not the word mark EURON designates a characteristic of the goods for which registration of the earlier mark was made, since that fact does not influence the ability of the relevant public to make an association between that word mark and the words 'euro' and 'Europe' (see, by way of analogy, Case T-292/01 Phillips-Van Heusen v OHIM – Pash Textilvertrieb und Einzelhandel (BASS) [2003] ECR II-4335, paragraph 54). In the same way, the evocative force of the earlier mark cannot be altered by the fact that it is supposedly 'made up'. Even a made-up word may carry conceptual weight."*

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<sup>6</sup> This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.*

<sup>7</sup> See the comments of Anna Carboni, sitting as the Appointed Person in *Cherokee, BL O-048-08, paragraphs 36 and 37.*

33. Some may be familiar with both parties' marks being of Spanish origin and may even see the word 'PRIMERA' as alluding to or indicating 'prime' or 'primary'. However, it is highly unlikely that the average consumer of these goods in the UK would know that 'PIEDRA' means stone. It is far more likely that both marks will simply be seen as words of foreign origin with no particular meaning such that the conceptual position is neutral.

### **Distinctive character of the earlier mark**

34. In determining the distinctive character of a trade mark it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger Joined Cases C-108/97 and C-109/97* [1999] ETMR 585.

35. As I have concluded above, the opponent's mark will be seen as an invented word by the average consumer. Consequently, it is neither descriptive nor allusive of the goods at issue and enjoys a high level of inherent distinctive character.

### **Likelihood of confusion**

36. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind<sup>8</sup>. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and have regard to the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa.

37. I have found the parties' marks to be visually and aurally similar to a medium degree, and conceptually neutral. I have found the earlier mark to have a high degree of inherent distinctive character for the opponent's goods. I have identified the average consumer, namely a member of the general public, and have concluded that the degree of attention paid is likely to be at least reasonable. I have found the parties' goods to be identical.

38. Taking all of these factors into account, the similarity of the marks is such that in the context of goods which are identical there will be, particularly bearing in mind the high distinctive character of the marks and the concept of imperfect recollection, in my view, direct confusion (where one mark is mistaken for the other).

39. In any event, if I am found to be wrong in this, I am mindful of *L.A. Sugar Limited v By Back Beat Inc*<sup>9</sup>, in which Mr Iain Purvis Q.C., sitting as the Appointed Person, noted that:

"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 recognised 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

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<sup>8</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27

<sup>9</sup> *Case BL-O/375/10*

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 latter mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or 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)."

40. The examples given above represent a non-exhaustive list which serves to provide examples of the ways in which indirect confusion may operate. In this case, particularly in the context of the goods, a change/addition of one element is entirely consistent with brand extension. Taking, for example, wines, an average consumer familiar with either party's mark would, upon encountering the other, conclude it was simply another product from the same commercial undertaking. Taking into account the highly distinctive nature of the common element 'PIEDRA', this will simply indicate a same stable product.

41. Having found there to be a likelihood of confusion in respect of the opponent's first mark for all of the goods for which the applicant seeks registration, I need not go on to consider the remaining earlier rights. However, for the sake of completeness I will also make an assessment with regard to the second mark relied upon by the opponent, which is the first of its word marks, namely, ESTATE PIEDRA.

42. The mark comprises two words, the first of which is a common English word which will be known to the average UK consumer. Given that the first word is ESTATE, it is likely that the second word will be considered to be the name or location of a particular estate. Consequently, the two words hang together, resulting in the overall impression being created by the mark as a whole, albeit with the name of the estate PIEDRA likely to be the most memorable part.

43. Visually and aurally my conclusions are the same as those outlined above. I find the marks to be visually similar to a medium degree and aurally similar to a higher degree but not at the highest level. Conceptually there are clearly different factors to consider. The word 'ESTATE' is a common English word with which the average consumer will be familiar. The same findings remain in respect of the word 'PIEDRA', which will be considered a foreign word, but when preceded by the word 'ESTATE', the interpretation of the mark changes. In my view the average consumer will know that an estate refers to land or property and will see the combination of 'ESTATE' with 'PIEDRA' as being either

the geographic location or the name of the estate in question, particularly as, in my experience, estates are often producers of wines. Consequently, the opponent's earlier mark will have a conceptual meaning whereas the applicant's will not, other than the potential evocative effect of the word 'PRIMERA' which I have discussed above.

44. In my experience it is not unusual for wines to originate from particular estates, meaning that the first word of the mark is not especially distinctive in this context. However, the word 'PIEDRA' which defines the 'ESTATE' has no meaning to the average consumer, resulting in a mark which has a fairly high level of inherent distinctiveness overall.

45. Having reached these conclusions it is likely that in the context of the identical goods at issue the average consumer would be directly confused by the parties' respective marks.

46. With regard to indirect confusion, the nature of the goods is such that it is entirely likely that the average consumer would conclude that PRIMERA PIEDRA originated from ESTATE PIEDRA and that, whichever mark the average consumer encountered first, they would conclude there to be an economic link between them.

## **CONCLUSION**

**47. The opposition succeeds under section 5(2)(b) of the act.**

## **COSTS**

48. The opposition having succeeded, the opponent is entitled to a contribution towards its costs. I make the award on the following basis taking into account that a hearing did not take place:

Preparing a statement and considering the other side's statement	£300
Preparation and filing of written submissions	£400
Official fee	£200
Total:	£900

49. I order Tesco Stores Limited to pay Estancia Piedra, S.L. the sum of £900. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 25th day of March 2015**

**Ms Al Skilton  
For the Registrar,  
The Comptroller-General**