

O-150-09

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2425725
BY J. GARCIA CARRION S.A. TO REGISTER THE TRADE MARK**

CRISTALINO JAUME SERRA

IN CLASS 33

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 94822
BY CHAMPAGNE LOUIS ROEDERER**

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by Champagne Louis Roederer**

BACKGROUND

1) On 28 June 2006, J. Garcia Carrion S.A. ("Carrion") of Jorge Juan 73, 28009 Madrid, Spain, applied under the Trade Marks Act 1994 ("the Act") for registration of the trade mark CRISTALINO JAUME SERRA in respect of the following goods in Class 33:

"Sparkling wines, wines, spirits, liqueurs and alcoholic beverages (except beers)"

2) The application was subsequently advertised in the Trade Marks Journal on 1 September 2006.

3) On 30 November 2006, Campagne Louis Roederer ("Roederer"), of 21 Boulevard Lundy, 51100 Reims, France filed notice of opposition to the application. This was based upon the grounds that Carrion's application offended Section 5(2) (b) of the Act in that its trade mark is similar to the Roederer's earlier UK registration 1368211 for the trade mark CRISTAL and is for similar or identical goods. Roederer's earlier registration covers "[c]hampagne wines included in Class 33" and completed its registration procedure on 10 January 1992. Use is claimed in respect of "champagne wines".

4) Roederer also claims that Carrion's application offends against Section 5(3) of the Act in that it is similar to its earlier trade mark which has been in use in the UK since at least 1949 and that, since that time, it has built up a significant reputation in respect of champagne wine.

5) It is also claimed that the use of the trade mark applied for will cause a misrepresentation in the sense that consumers will be confused into thinking that the applicant's product originates from the opponent. Therefore, it offends under Section 5(4) (a) of the Act.

6) The applicant subsequently filed a counterstatement denying that its trade marks offend under Sections 5(2) (b), 5(3) or 5(4) (a) of the Act. It denies that the opponent's trade mark is sufficiently similar to the applicant's trade marks for there to be confusion under Section 5(2) (b) of the Act. It also claims that its trade mark has been used alongside Roederer's trade mark in the UK marketplace and that this has continued for a number of years without it becoming aware of a single instance of confusion. It requests that the opposition is dismissed in its entirety.

7) Both parties subsequently filed evidence. Neither party requested to be heard but the applicant filed written submissions. Both sides seek an award of costs. After a careful study of all the papers, I give my decision.

Opponent's Evidence

8) This takes the form of a witness statement by Mr Frederic Herault, Legal Manager of Roederer and is dated 27 December 2007. He states that he is fully conversant in the English language. Mr Herault explains that Roederer was established in 1760 and is one of the famous houses of champagne in France. Its CRISTAL champagne dates back to 1877, but was not made available to the general public until 1945 and the trade mark was first used in the UK in 1949. At Exhibit 1, Mr Herault provides a copy of the declaration of use and accompanying exhibits filed in support of its application that resulted in the earlier registered right it relies upon for these proceedings. This declaration disclosed use in the UK and included the number of units sold in the UK from 1949 to 1988. There are only two years during this period when there were no UK sales and that between 1978 and 1988 the number of units sold was between 32,000 and 42,000. The exhibits supporting this declaration provide support that CRISTAL champagne has indeed been sold in the UK since 1949. In 1989, the average retail price is disclosed as being £43.99 and the exhibits illustrate that the champagne was highly regarded. One extract from an undisclosed source, dated December 1986, discusses the pedigree of CRISTAL champagne with references to DON PERIGON and BOLLINGER. Another, dated March 1988, published in Caterer & Hotelkeeper magazine discusses the proposition that CRISTAL champagne was the most sought-after and exclusive champagne, again with reference to recognised prestige champagnes such as BOLLINGER, DON PERIGNON and KRUG.

9) Mr Herault also discloses the number of cases of champagne sold in the UK between 2001 and 2006 together with the corresponding sales figures. These are:

Year	No. of Cases	Sales (£)
2001	2617	632,416
2002	2823	713,182
2003	2882	732,004

2004	2824	777,702
2005	2836	807,029
2006	3035	959,610

10) CRISTAL champagne is also regularly mentioned in, and is reviewed by, various newspapers, wine magazines and other publications. No evidence is provided to support this, but Mr Herault does provide a list of publications for each year 2001 through to 2006. These publications include the Daily Telegraph, Evening Standard, Financial Times, Wine, Wine International, Harpers and others.

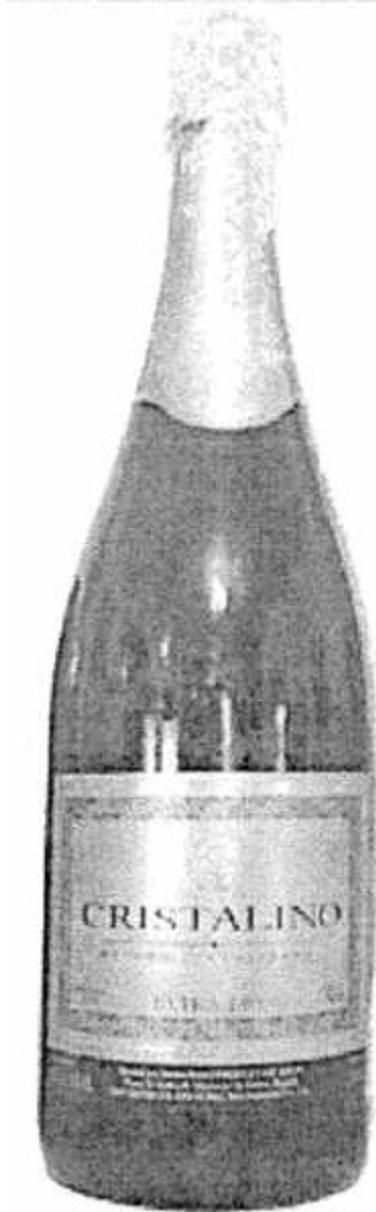
11) Mr Herault states that the champagne is positioned as a luxury consumer good evoking connotations of elegance, luxury, refinement and prestige. It is a highly sought after champagne that appears on the wine lists of well known restaurants such as The Rivoli Bar at The Ritz, The London Stock Exchange and The Capital Restaurant, London (that holds two “Michelin” stars). Drinks menus from The Rivoli Bar and the London Stock Exchange plus a menu for a 2003 Christmas lunch held at The Capital Restaurant are provided at Exhibit 4. The first of these has “Louis Roederer, Cristal” listed under the heading “Champagne – Vintage”. The second lists “Cristal, Louis Roederer” for £418 under the heading “Champagne”. The final menu lists “Louis Roederer Cristal 1996” at a Christmas Grand Fine Wine Lunch.

12) Exhibit 5 is a copy of a Gallup study entitled “Reputation of Prestige Vintage Champagnes in France, Italy and the United Kingdom” and dated February 1999. It appears to have interviewed one hundred wine waiters, chief cellarman or managers of liquid purchases at hotels, restaurants and wine cellars in the UK and concluded that the market for prestige champagnes was largely dominated by two vintages, DOM PERIGNON and CRISTAL. Seventeen percent of those questioned in the UK mentioned CRISTAL first when recalling champagnes in response to the question “[m]ention all the prestige vintage champagnes you know, if only by name?” A further forty four percent mentioned CRISTAL other than first, but still without prompting. These figures were significantly higher than for all others except DON PERIGNON which enjoyed slightly better recognition rates than CRISTAL.

13) Mr Herault refers to a number of other proceedings between the same parties in different jurisdictions and these proceedings include Roederer’s successful attack on Carrion’s attempt to register CRISTALINO as a Community trade mark (CTM) where it relied upon its French registration of CRISTAL. A copy of this decision is provided at Exhibit 9. This was affirmed by OHIM’s Board of Appeal and a copy of this decision is provided at Exhibit 10.

14) At Exhibit 12, Mr Herault provides details of the current use in the UK of CRISTALINO by the applicant. This exhibit takes the form of two pages, the first from wilderonwine.com and is a review of “Jaume Serra “Cristalino”” and is dated

11 May 2004". A picture of a bottle of sparkling wine is shown with CRISTALINO visible on both the main label and neck label. The words JAUME SERRA are not visible. The origin of the web site is not explained, but I note the cost of the wine is recorded in dollars. A copy of the bottle as it appears on this website is shown below:



15) The second page consists of an extract from finewinehouse.com and provides product information relating to "Jaume Serra Cristalino "Brut" Cava NV Spain". This is also priced in dollars. A photograph of the bottle label is visible where the word CRISTALINO can be seen. There is clearly other text on this label, but the only word that is legible is the word "rosé". This label is shown below:



16) Mr Herault draws attention to the fact that the JAUME SERRA element of the trade mark is the name of the winery which produces CRISTILINO and that JAUME SERRA is used on other products also. In support of this, at Exhibit 13 Mr Herault provides an extract from the website of Carrion's distributor in the USA. This gives a history of Jaume Serra S.A. (acquired by Carrion in 1997) and shows three labels, one where JAUME SERRA is used in respect of Merlot red wine, another in respect of Tempranillo red wine. The third is a label in respect of cava and this is reproduced below:



17) The same website extract includes a description of how its cava is produced stating that its cava is made in the traditional “method champenois”. Mr Herault points this out and states that it illustrates the closeness of cava and champagne.

18) Mr Herault’s statement also contains a number of submissions that I will not detail here, but will refer to as necessary later in my decision.

Applicant’s Evidence

19) This takes the form of two witness statements. The first is by Mr Félix Villaverde, Financial Manager of Carrion and is dated 30 July 2008. Mr Villaverde also states that he is fully conversant with the English language. He states that the trade mark in suit has been used on the goods covered by the application and these are sold throughout the UK. In support of this, at Exhibit 1 he provides a copy of a list of 141 invoices to UK businesses together with copies of a selection of these invoices. Fifty invoices are recorded as having a date prior to the relevant date. Of these fifty, copies are provided of twenty nine, all to WM Morrison Supermarkets Plc and all in relation to “Cava Cristalino Brut” and for quantities varying between 900 and 2100. It is not clear whether these quantities relate to the number of bottles or cases, but the corresponding quantities (in litres) imply that these quantities relate to half cases (i.e. six 750ml bottles). The list of invoices also records delivery to other UK businesses, including Majestic Wine Warehouses Ltd.

20) Mr Villaverde explains that the sparkling wine market is divided into champagne and other types of sparkling wine and that the “Method Champenoise” or traditional method of creating sparkling wines is used in many parts of the world. Champagne is produced in France and Cava is produced in Spain, both under strict regulations. Champagne has long been positioned as a premium product that is more expensive and a clear distinction is made by retailers and wine magazines between Champagne and other types of sparkling wine.

21) Mr Villaverde explains how the sparkling wine market is segmented and states that CRISTALINO cava would be a “popular premium wine” where there is a good balance between price and quality and where wines in this category are mass marketed. CRISTAL champagne, on the other hand, attracts connoisseurs and aspirational consumers. For CRISTALINO wines, the key accounts are supermarket chains where it is sold at £6 – 9 a bottle whereas CRISTAL champagne is mainly sold through on-premises distribution such as upscale restaurants, hotels, bars, clubs and VIP lounges and is sold at over £200 a bottle.

22) The winery behind Cristalino Jaume Serra S.A. was founded in 1943 and acquired by Carrion in 1997. The CRISTALINO trade mark was first used in the UK in 2000.

23) Mr Villaverde's statement also contains a number of submissions and I will deal with these later in my decision.

24) The second witness statement is by Caitriona Mary Desmond, Trade Mark Attorney Assistant with Murgitroyd & Company, Carrion's representatives in these proceedings. This is dated 5 August 2008. Ms Desmond provides, at Exhibit CMD01, a copy of a judgment of the United States District Court, District of Minnesota, dated 23 July 2008, in respect of a dispute between the same parties. The judge commented that there was insufficient evidence to support a claim of confusion concluding that confusion was unlikely. I note however that this finding was within the context that Roederer's claims should have been barred by the doctrine of laches by virtue of not beginning proceedings against Carrion until seven years after first being aware of Carrion's activities in the USA. After considering the circumstances particular to that case in the USA, the court concluded that Roederer unreasonably delayed asserting its rights and that laches should bar Roederer's claim for injunctive relief.

Opponent's Evidence in reply

25) Forrester Ketley & Co., the opponent's representatives in these proceedings filed a statement of case in reply on 4 February 2009. This consists almost entirely of submissions and I will refer to these as relevant, later in my decision.

DECISION

Section 5(2) (b)

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

“(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.”

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

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

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

28) Of potential relevance to a ground of opposition under Section 5(2) are the provisions that relate to proof of use. Section 6A(1) details the circumstances where these provisions apply:

“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 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 period of five years ending with the date of publication.”

29) The trade mark relied on by the opponent is 1368211 that completed its registration procedures on 10 January 1992. By virtue of a filing date of 22 December 1988, this trade mark is an earlier trade mark as defined in section 6(1) of the Act. In relation to the proof of use requirements, this earlier trade mark could fall foul of this provision, but Roederer has not been put to proof of use by Carrion. In fact, Carrion, in its counterstatement acknowledge use of this trade mark when it claimed that its trade mark has been used in the UK alongside Roederer’s trade mark for a number of years. As such, I am not required to assess compliance with the proof of use provisions.

30) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*,

(g) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

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

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

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it

with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

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

Comparison of goods

31) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and to take account of all the relevant factors relating to the goods in the respective specifications. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the ECJ stated at paragraph 23:

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

32) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, paragraph 53 of the judgment of the Court of First Instance (CFI) in Case T-164/03 *Ampafrance S.A. v OHIM – Johnson & Johnson GmbH (monBeBé)*).

33) The respective goods are:

Roederer’s goods	Carrion’s goods
Champagne wines included in Class 33.	Sparkling wines, wines, spirits, liqueurs and alcoholic beverages (except beers)

34) I intend to restrict my analysis to comparing the champagne wines covered by Roederer’s registration and “sparkling wines, wines” and “alcoholic beverages” of Carrion’s application. Mr Villaverde, in his witness statement, seeks to illustrate that there is some distance between CRISTAL champagne on the one hand and CRISTALINO JAUME SERRA cava on the other. He cites different market segments, different distribution strategies employed for the respective parties and the large difference in the price of the respective products. In particular, he highlights the use by Roederer of up-market outlets for the sale of its CRISTAL champagne and contrasts this with the use, by Carrion, of supermarkets and the like as the principal outlets for its CRISTALINO JAUME

SERRA cava. I note this, but I am mindful of the comments of the Court of First Instance (CFI), in *Saint-Gobain SA v Office del'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* Case T-364/05 which stated:

“67. With regard to the conditions under which the goods at issue are marketed, the applicant’s argument that the goods covered by the earlier mark are sold almost exclusively in shops and supermarkets, whereas the mark applied for refers solely to goods sold by mail order, is without foundation. As has already been held, on a comparison of the goods, nothing prevents the goods covered by the earlier mark from also being sold by mail order. In addition, it is apparent from the file that the intervener makes almost 5% of its sales by mail order. Furthermore, it is important to reiterate that the comparison between the goods in question is to be made on the basis of the description of the goods set out in the registration of the earlier mark. That description in no way limits the methods by which the goods covered by the earlier mark are likely to be marketed.”

35) Richard Arnold QC sitting as the Appointed Person also took this approach in *Oska’s Ltd’s trade mark* [2005] RPC 20, paragraph 56. Accordingly, it is appropriate that I do not take account of Mr Villaverde’s arguments, but rather I am required to address the question based upon notional and fair use across the range of goods covered by Roederer’s registration. In doing so there is no need for me to explore the degree of similarity between “champagne wine” on the one hand and “sparkling wine” on the other because Carrion’s specification also includes “wine” at large and also “alcoholic beverages”. Both these terms can clearly include “champagne wines”. It is well established that goods can be considered identical when those covered by an earlier trade mark are included in a wider term by a later mark (and vice versa); see *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05. As such, I find the respective goods are identical.

The average consumer

36) As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who the average consumer is for the goods at issue. I have already found that the respective goods are identical and it follows that the average consumer for both Roederer’s and Carrion’s goods will be the same.

37) The relevant average consumer for the respective goods is the champagne and alcoholic beverage drinking public who will purchase these goods either at a restaurant or bar or from a retail outlet such as a supermarket or wine merchant. As Mr Villaverde points out, at one end of the scale, an expensive champagne wine (which, I bear in mind, is covered at least by Carrion’s terms “wine” and “alcoholic beverages”) is likely to be sold through up-market restaurants and boutique retailers at a high price. I consider that such traders are a more

specialised, but nevertheless still relevant public. In such circumstances the purchasing act will be well considered and likely to be based on some knowledge of the perceived quality of the goods. At the other end of the scale, value sparkling wines as well as more affordable champagnes can be sold through high street retailers such as supermarkets and wine merchants/off-license operators. Here the purchasing act will be less considered. I also bear in mind that the relevant average consumer of these goods could be these businesses that subsequently sell to the public.

38) In summary, I consider that the average consumer for the respective goods will be the same, but that the purchasing act can differ depending on the perceived quality and price of the goods. The purchasing act can be quite highly considered in respect of prestige champagne wines, for example, but less considered in respect to more affordable goods such as sparkling wine.

Comparison of marks

39) I will now go on to consider the similarities and differences between the trade marks themselves and the impact of any differences upon the global assessment of similarity. When assessing this factor, I must do so with reference to the visual, aural and conceptual similarities between the respective trade marks bearing in mind their distinctive and dominant components (*Sabel BV v. Puma AG*, para 23).

40) Mr Herault, in his witness statement, drew attention to Carrion’s actual use of its trade mark by reference to Exhibit 12 consisting of two webpage extracts showing photographs of the bottle label used by Carrion (these are reproduced at paragraphs 14 and 15 above). Whilst such use can be said to be the paradigm case of its use in a normal and fair manner (*Premier Brands v Typhoon* [2000] ETMR 1071), I do not find these examples to be of assistance in these proceedings. Firstly, the two labels shown in these extracts do not appear to include the words JAUME SERRA and as such cannot be considered as being use of the trade mark as filed. A second point of note is that, despite Mr Herault’s statement that these photographs represent use by Carrion in the UK, this is not evident from the exhibits. The prices are quoted in dollars, strongly suggesting a non-UK focus. The website addresses fail to enlighten me on this point as they have the top level domain name “.com” which is not location-specific and not one that would indicate the UK such as “.co.uk”. Therefore, despite the potential for such exhibits to illustrate paradigm use, on this occasion I do not find that this is the case. I will therefore continue by considering a notional comparison of the trade marks.

41) The trade marks to be compared are:

Trade Mark of Roederer	Trade Mark of Carrion
CRISTAL	CRISTALINO JAUME SERRA

42) From a visual perspective, Roederer's trade mark consists of a single seven letter word and Carrion's trade mark consists of three separate words all sharing an equal level of dominance within the trade mark. The first of these words consists of ten letters, the first seven of which are identical to the seven letters forming Roederer's trade mark. When comparing the trade marks as a whole, I conclude that these differences and similarities combine to give a low level of visual similarity.

43) From an aural perspective, Roederer's trade mark will be pronounced as the two syllable word CRIS and TAL. Carrion's trade mark is much longer, comprising of three words and eight syllables. The fact that the first two syllables of the first word of Carrion's trade mark are the same as the two syllables that make up the word that comprises Roederer's trade mark creates a point of aural similarity, however, the additional elements of Carrion's trade mark create a point of dissimilarity. Taking all these points into account, I consider that the respective trade marks share a low level of aural similarity.

44) As Mr Villaverde points out in his witness statement that, conceptually, the word CRISTAL means "crystal" in English. This may be the case, but the misspelling of the English word may result in the consumer perceiving the word differently, for example, as a female forename. However, I do not consider that the precise way in which the word will be understood is critical in this analysis because Carrion's trade mark, without artificially dissecting it, will be seen as a full name of a person with the surname SERRA. The public are used to perceiving small differences in personal names, so even if Roederer's trade mark is also perceived as a female forename, this will be insufficient to create any conceptual similarity. Mr Villaverde also explains the meaning of CRISTALINO, but this is a Spanish word that is not in everyday use in the UK and its meaning will not be immediately obvious to the UK consumer and when preceding JAUME SERRA is likely to be seen as a forename.

45) I am mindful of the guidance given by the ECJ in *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* that assessment of similarity means more than taking just one component of a composite trade mark and comparing it with another mark and also in *Shaker di L. Laudato & C. Sas v OHIM* that only if other components are negligible is it permissible to make the comparison on the basis of the dominant element. In this case, the words JAUME SERRA in Carrion's trade mark cannot be classified as negligible. I cannot therefore restrict my analysis to CRISTAL and CRISTALINO. Mr Herault contends that JAUME SERRA is the name of the winery and is viewed separately from the name of the goods, namely CRISTALINO. It is clear from the evidence that JAUME SERRA is indeed a reference to the winery, but in conducting a notional analysis of the comparison of trade marks, as I have already concluded I must do, this distinction between the different components of Carrion's trade mark is not apparent and as such, it does not impact upon my conclusion regarding

conceptual similarity. Taking all these points into account, I consider that the respective trademarks do not share any conceptual similarity.

46) In summary, the respective trade marks share a low level of aural and visual similarity and no conceptual similarity and these factors combine so that there is only an overall very low level of similarity between the trade marks.

Use and distinctive character of the earlier trade mark

47) I have to consider whether the opponent's trade mark has a particularly distinctive character either arising from the inherent characteristics of the trade mark or because of the use made of it. It consists of the word CRISTAL having no meaning in English, but may be seen by the relevant consumer as a female forename and as the phonetic equivalent of the word "crystal". "Crystal" may have some allusive quality in relation to champagne in terms of suggesting the clear, unclouded nature of the product. Therefore, CRISTAL may also loosely allude to such a quality. As such, it does not enjoy the highest degree of distinctive character, but nevertheless, I find that it enjoys a reasonable level of such.

48) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

"The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such

an important consideration. But all must depend upon the circumstances of each individual case.”

49) Roederer’s evidence illustrates that use of the trade mark CRISTAL in the UK began in 1949 and is used in respect of a well regarded champagne wine. Turnover for the six years prior to the relevant date increased from £632 thousand to £959 thousand. I must consider if this use is such as to lead to an enhanced distinctive character in the UK. No information has been provided regarding the size of the market for champagne in the UK and therefore I find myself assessing the scale of the reputation of CRISTAL with little context to its market share. However, Mr Herauld, in his witness statement included the results of a 1999 Gallup study illustrating that CRISTAL champagne was one of two prestige champagnes that dominated in the minds of people working in the trade. This study is open to a number of criticisms such as the fact that it was conducted some seven years prior to the relevant date and that it involved only 100 wine waiters, cellarman of “managers of liquid purchases” of hotels, wine cellars or restaurants. However, the pattern of sales since then does not suggest that the finding will be significantly different. In its written submissions, Carrion criticise this exhibit contending that those questioned do not represent the average consumer. However, I have already accepted that such trade positions do represent one particular type of the relevant public, if being somewhat specialised. Further, Exhibit 1 provides further support for the proposition that CRISTAL champagne is well known, with a number of press articles discussing the prestige nature of the product and comparing it with other prestige champagne brands.

50) Taking all this into account, I conclude that as a result of its use in respect of prestige champagnes that CRISTAL enjoys an enhanced level of distinctive character.

Likelihood of confusion

51) It is clear from the case law that there is interdependency between the various factors that need to be taken into account when deciding whether there exists a likelihood of confusion. I must also take into account that marks are rarely recalled perfectly with the consumer relying, instead, on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27).

52) I have found that the respective trade marks share a low level of visual and aural similarity but do not share any conceptual similarity. The respective goods are identical as are the respective average consumers . I also acknowledged that Roederer enjoys an enhanced level of distinctive character in respect to its trade mark CRISTAL.

53) Carrion contends that as a result of the large price differential between the respective goods, with CRISTAL champagne selling for £350 or more a bottle and CRISTALINO JAUME SERRA cave selling at around £10 a bottle, that the average consumer would not confuse the respective goods. This may be so, but I have already concluded that my analysis must be based upon the description of goods set out in the application which are, in no way, limited to a particular marketing strategy or quality.

54) In summary, the different marketing methods and different target consumers for the respective wines have no bearing on the degree of similarity between the respective goods and as such, I do not intend to comment further on this line of argument.

55) Nevertheless, when taking all factors into consideration I find that the relevant public will not confuse the trade marks. There will be no direct confusion where the consumer believes Carrion's trade mark is Roederer's trade mark and neither will there be any indirect confusion in that they will not believe that the respective goods originate from the same trade source. In coming to this conclusion, I have kept in mind that the consumer rarely has the opportunity to compare trade marks side-by-side, but rather relies on their imperfect recollection. Accordingly, I find there is no likelihood of confusion and the opposition under Section 5(2) (b) fails.

Section 5(4) (a)

56) Roederer's case under Section 5(4) (a) is no stronger than under Section 5(2) (b) and in light of these findings above, there is no need for me to consider the opponent's further objection under Section 5(4) (a).

Section 5(3)

57) I turn to consider the ground for opposition under Section 5(3) of the Act which reads as follows:

“5.(3) A trade mark which –

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

58) The scope of Section 5(3) has been considered in a number of cases notably *General Motors Corp v Yplon SA* (CHEVY) [1999] ETMR 122 and [2000] RPC

572, *Adidas Salomon AG v Fitnessworld Trading Ltd.* [2004] ETMR 10, *Premier Brands UK Limited v Typhoon Europe Limited* (TYPHOON) [2000] FSR 767, *Daimler Chrysler A.G. v Alavi* (MERC) [2001] RPC 42, *C.A. Sheimer (M) Sdn Bhd's TM Application* (VISA) [2000] RPC 484, *Valucci Designs Ltd v IPC Magazines* (LOADED) O/455/00, *Mastercard International Inc v Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch), *Electrocoin Automatics Limited v Coinworld Limited and others* [2005] FSR 7 and *Davidoff & Cie SA v Gofkid Ltd* (DAVIDOFF) [2003] ETMR 42.

59) The applicable legal principles arising from these cases are as follows.

a) 'Reputation' for the purposes of Section 5(3) means that the earlier trade mark is known by a significant part of the public concerned with the products or services covered by that trade mark (paragraph 26 of the ECJ's judgment in *General Motors Corp. v Yplon SA* (CHEVY) [1999] ETMR 122).

b) Under this provision the similarity between the trade marks does not have to be such as to give rise to a likelihood of confusion between them; the provision may be invoked where there is sufficient similarity to cause the relevant public to establish a link between the earlier trade mark and the later trade mark or sign, *Adidas Salomon v Fitnessworld*, paragraphs 29-30.

c) The stronger the earlier trade mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (per Neuberger J. in *Premier Brands*, and the ECJ in CHEVY, paragraph 30).

d) Unfair advantage is taken of the distinctive character or the repute of the earlier trade mark where there is clear exploitation and free-riding on the coat-tails of a famous trade mark or an attempt to trade upon its reputation: *Spa Monopole v OHIM*.

60) To these, I would also add the following legal principles that have arisen from the recent ECJ judgement in *Intel Corporation Inc. v CPM United Kingdom Ltd* (INTEL) C-252/07:

a) Whether there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the earlier trade mark with a reputation and the later trade mark must be assessed globally, taking into account all factors relevant to the circumstances of the case.

b) The fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of

such a link between the conflicting trade marks, within the meaning of *Adidas-Salomon and Adidas Benelux*.

c) Whether use of the later trade mark takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark, must be assessed globally, taking into account all factors relevant to the circumstances of the case.

d) The use of the later mark may be detrimental to the distinctive character of the earlier mark with a reputation even if that mark is not unique; a first use of the later mark may suffice to be detrimental to the distinctive character of the earlier mark; proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future.

Reputation

61) I begin by assessing Roederer's claim to a reputation and whether this existed at the relevant date. From the ECJ's comments in *CHEVY* it is known that for a reputation to exist, the relevant trade mark must be known by a significant part of the public concerned and that particularly important considerations are the market share held by the trade marks, the intensity, geographical extent and duration of use and the level of promotion undertaken. I have already concluded that use in the UK of CRISTAL in respect of champagne wines dates back to 1949. Sales in the six years leading up to the relevant date were in the region of £632 thousand to £959 thousand a year. No information is provided that allows me to make a judgement as to the size of market share. However, CRISTAL champagne wine has been sold in the UK for 57 years and has enjoyed regular sales over a prolonged period. Further, the Gallop study I referred to earlier indicates, that amongst members of the trade, CRISTAL champagne enjoys an esteemed position. Whilst a sample of one hundred members of the trade is not a significant proportion of the relevant public, it does lend some further support to the contention that CRISTAL champagne wine enjoys a long-standing reputation in the UK. In its written submissions, Carrion contends that if I accept a reputation exists, it is only in respect of champagne "of a high price". I recognise this and will discuss the implications of this in more detail later.

62) In summary, I conclude that the trade mark CRISTAL enjoys a reputation in respect of champagne wines.

The “link”

63) Having established that a reputation exists, I need to go on to consider the existence of the necessary link. I am mindful of the recent comments of the ECJ in *INTEL* that it is sufficient for the later trade mark to bring the earlier trade mark with a reputation to mind for the link, within the meaning of *Adidas-Salomon and Adidas Benelux*, to be established. The ECJ also set out the factors to take into account when considering if the necessary link exists:

“41. The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, in respect of Article 5(2) of the Directive, *Adidas-Salomon and Adidas Benelux*, paragraph 30, and *adidas and adidas Benelux*, paragraph 42).

42. Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public.”

64) As I have already found in my analysis under Section 5(2) (b), the respective trade marks share a very low level of similarity, that they have a number of visual and aural differences and also they do not share any conceptual similarity. The reputation associated with CRISTAL champagne wine is long standing and has resulted in an enhanced level of distinctive character, however, as I have already found the similarities between the respective trade marks is at such a level that there would be no likelihood of confusion.

65) I have already concluded that identical goods are involved. The relevant public of such goods are the general public and that the purchasing act may vary depending on the price and market positioning of the goods and this purchasing act may involve a higher level of attention at the high-end of such market positioning. Taking all these factors into account, I find that the latter trade mark does not bring the earlier trade mark to mind, even where the purchasing act is quite highly considered as is the case in respect of prestige champagne wines. My finding that the respective trade marks only share a very low level of similarity and that there is no likelihood of confusion due to the fact that Roederer’s trade

mark is subsumed in one of three distinctive words in Carrion's trade mark are significant factors in coming to this conclusion. Therefore, I find that the necessary link does not exist and the grounds of opposition based upon Section 5(3) fails.

Costs

66) The opposition has been unsuccessful and J. Garcia Carrion S.A. is entitled to a contribution towards its costs. I take account of the fact that the decision has been reached without a hearing taking place, though with written submissions having been prepared by the applicant. I award costs on the following basis:

Considering application of opposition	£200
Statement of case in reply	£300
Preparing and filing evidence	£500
Considering evidence	£250
Filing written submissions	£400
TOTAL	£1650

67) I order Champagne Louis Roederer to pay J. Garcia Carrion S.A. the sum of £1650. 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 2nd day of June 2009

**Mark Bryant
For the Registrar,
the Comptroller-General**