

O-311-18

TRADE MARKS ACT 1994

IN THE MATTER OF:

TRADE MARK APPLICATION 3215159

IN THE NAME OF

WOOF AND BREW LIMITED

FOR THE TRADE MARK:

Pawsecco

AND

**OPPOSITION THERETO (UNDER No 409494) BY
CONSORZIO DI TUTELA DELLA DENOMINAZIONE DI ORIGINE
CONTROLLATA PROSECCO**

Background

1. On 26 February 2017, Woof and Brew Limited (“the applicant”) applied to register the trade mark **Pawsecco** for a specification of goods in class 31 reading: “edible pet treats.”

2. The mark is opposed by Consorzio di Tutela della Denominazione di Origine Controllata Prosecco (“the opponent”). It is the organisation responsible for the protection and promotion of the Protected Designation of Origin (“PDO”) **PROSECCO**, a well-known sparkling wine. Its grounds of opposition are varied, based on six separate sections of the Trade Marks Act 1994 (“the Act”), as follows:

- i) Section 5(2)(b) because there is a likelihood of confusion with its EU collective mark (no. 11619764) which looks like this:



- ii) Section 5(3), relying on the same mark as above. It is claimed that the applied for mark would bring the earlier mark to mind, with the result that there would be dilution and/or tarnishing, and/or that the applicant would gain an unfair advantage.

- iii) Section 5(4)(a), based on the goodwill associated with the name **PROSECCO** in relation to wine and events to promote the wine’s PDO.

- iv) Section 3(3)(b), because the mark is liable to deceive the public into thinking that the applied for goods are compliant with or licensed by the PDO.

- v) Section 3(6), because the mark was filed in bad faith, for “opportunistic reasons”, in the knowledge that consumers would associate it with the PDO and its reputation.

vi) Section 3(4), which prevents the registration of marks the use of which would be prohibited by any enactment or rule of law, or any provision of community law. The laws said to prohibit the use of the mark are articles 102 and 103(2) of Regulation 1308/2013 of the European Parliament and Council.

3. The applicant filed a counterstatement denying the grounds of opposition. Both sides filed evidence. A hearing took place before me on 27 April 2018 at which Ms Fiona Clark, of Counsel, instructed by Bird & Bird, represented the opponent, and at which Mr Richard Gallafent of Gallafents Ltd represented the applicant.

The evidence

4. The opponent's evidence comes from its President, Mr Stefano Zanette. He gives evidence about the background to the Prosecco PDO and its reputation. I note, for example, that:

- The PDO relates to wines that derive from specific grape-growing areas in Italy, and from a particular vine species. There are also further requirements for a wine to qualify as Prosecco, including particular bottling and labelling requirements.
- Prosecco wine was first recorded in a historical document in 1381.
- Exports to the UK rose dramatically between 2010 and 2014 (from 113k to 486k hectolitres). In 2015, the principal export market for Prosecco was the UK (35% of total exports) with the sale of sparkling varieties being particularly popular.
- In the year July 2014 to July 2015, Prosecco sales overtook those for Champagne for the first time, with £339 million in sales being made.

5. Given that there was no dispute at the hearing that Prosecco had a reputation and goodwill in relation to sparkling wine, I will not summarise this aspect of the evidence further.

6. Mr Zanette also gives evidence about the applicant and its product. He provides evidence showing that the applicant sells a liquid treat for pets which is sold in a sparkling wine style bottle. I also note that:

- The applicant's accompanying marketing material mentions Prosecco:

“Good friends bring happiness, but best friends bring Prosecco and now mans' best friend can join in too. WOOF&BREW's “Pawsecco”, a still “wine” for cats and dogs”.

- The marketing material also informs that the product is intended to be poured over food “to create a perfect “au jus”” or consumed as a drink.
- There are various pieces of evidence from websites and social media platforms where commentators and consumers clearly make a link between the applicant's product and Prosecco. Comments are made along the lines of:

“Amazing. Cat Prosecco AKA Pawsecco”,

“Apparently there is now Prosecco for cats called Pawsecco”,

“I have bought princey some treats and a bottle of rose doggy Prosecco, or PAWsecco if you will”.

7. The applicant's evidence comes from its founding director, Mr Stephen Bennett. He first gives evidence about the applicant's business and one of the products (as above) it sells. I note the following:

- The applicant company was set up to “manufacture complementary pet foods”. Information from its own website describes the applicant as “the pet drink specialists”.
- Mr Bennett provides a number of exhibits about drinks for pets being a developing commercial area. He notes two US companies who also manufacture such products (although he is not aware of them operating in the

UK) and that they have used names reminiscent of the names of types of wines. For example, Catbernet and Purrghendy, which are clearly reminiscent of Cabernet and Burgundy respectively.

- The Pawsecco name was created with a similar approach “in a manner which might be taken as allusive to certain wines or types of wines”.
- The product contains no alcohol and is not a wine as such. It does not derive from grapes. It is, according to Mr Bennett, “marketed as a health treat for cats and dogs to be poured over their food”.

8. Mr Bennett also provides evidence about the use of the Prosecco name “by a wide variety of manufacturers to identify an aspect of the product they make”. This takes the form of various prints from the retail website amazon.co.uk. There is a fairly large number of cosmetic products that use the word Prosecco e.g., Prosecco Lip Balm. There are some household items that feature the word (often as part of slogans) on items such as mugs, coasters, cushions, aprons, ornaments, bags, t-shirts and dog vests. There is, also, unsurprisingly, some wine. Also provided in Exhibit 7 are a number of press articles, as follows:

- An article from the Metro dated 15 June 2017 commenting on the rise of products “inspired by the cheap bubbles”. The items highlighted include the applicant’s Pawsecco product, Prosecco nail varnish, Prosecco home fragrance, Prosecco gummy sweets etc.
- An article from the Sun dated 7 December 2016 about a gift that allows someone to grow their own Prosecco. Reference is also made to other gifts such as Prosecco flavoured crisps and sweets.
- An article from the Sun dated 15 December 2016 about Aldi’s Prosecco infused teabags. The opponent appears to have taken action against this form of use.

9. Mr Bennett completes his evidence by stating that he is not aware of any use of the opponent’s registered collective mark relied upon under sections 5(2)(b) and 5(3).

DECISION

10. I will begin with the ground under section 3(4) of the Act.

Section 3(4)

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

12. Article 102 of the regulation is as follows:

“Article 102

Relationship with trade marks

1. The registration of a trade mark that contains or consists of a protected designation of origin or a geographical indication which does not comply with the product specification concerned or the use of which falls under Article 103(2), and that relates to a product falling under one of the categories listed in Part II of Annex VII shall be:

(a) refused if the application for registration of the trade mark is submitted after the date of submission of the application for protection of the designation of origin or geographical indication to the Commission and the designation of origin or geographical indication is subsequently protected; or

(b) invalidated.

2. Without prejudice to Article 101(2), a trade mark referred to in paragraph 1 of this Article which has been applied for, registered or established by use in good faith, if that possibility is provided for by the law concerned, in the territory of the Union either before the date of protection of the designation of origin or geographical indication in the country of origin, or before 1 January 1996, may continue to be used and renewed notwithstanding the protection of a designation of origin or geographical indication, provided that no grounds for the trade mark's invalidity or revocation exist under Directive 2008/95/EC of the European Parliament and of the Council (31) or under Council Regulation (EC) No 207/2009 (32).

In such cases, the use of the designation of origin or geographical indication shall be permitted alongside the relevant trade marks.”

13. Article 102 prohibits the registration of trade marks which contain, or consist of, a PDO for products falling within the categories listed in Part II of Annex VII to that article. Ms Clark accepted that the limitation of this article to the type of products contained in the annex meant that her job was harder. But she nevertheless submitted that the type of product the applicant had sold, although not currently made from grapes, could potentially be made from grapes and, thus, it could be classed as a grape vine product as covered by the annex. However, whilst the annex generalises the products as grape vine products, the specific products to which the annex relates are then listed. They cover a range of wines, grape must and wine vinegar. I do not consider that any of these specific products could ever be classed as an edible pet treat, whether such a term includes the liquid product or not. Thus, article 102 is not applicable. In any event, article 102 relates only to marks which “contains or consists” of the PDO. This wording is clear. The mark must comprise or consist of the PDO which, plainly, it does not. The claim under article 102 fails for this reason also.

14. Article 103 reads as follows:

“Article 103 Protection

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

2. A protected designation of origin and a protected geographical indication, as well as the wine using that protected name in conformity with the product specifications, shall be protected against:

(a) any direct or indirect commercial use of that protected name:

(i) by comparable products not complying with the product specification of the protected name; or

(ii) in so far as such use exploits the reputation of a designation of origin or a geographical indication;

(b) any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is translated, transcribed or transliterated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation", "flavour", "like" or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the wine product concerned, as well as the packing of the product in a container liable to convey a false impression as to its origin;

(d) any other practice liable to mislead the consumer as to the true origin of the product.”

15. The forms of protection from which a PDO may benefit under this article are identified in sub-articles 2(a)-(d) respectively. Ms Clark submitted that article 103(2)(a) was applicable because it related not only to direct commercial use of the PDO, but also indirect commercial use. She submitted that “indirect commercial use” was a broad enough term to include the use of names that were similar to the PDO, but did not comprise the PDO itself. She accepted, though, that the term would not catch all uses of names which may only be evocative of a PDO and would not, for example, have caught the use of CAMBOZOLA (a name held to be evocative of the PDO Gorgonzola (see below)). However, she submitted that as Pawsecco was so close to Prosecco, it was so caught. I do not agree. On a normal reading of the provision, the offending use must relate to the PDO (or at least something which contains the PDO). The reference to direct or indirect commercial use relates to the type of commercial use to which the name has been put, not the name itself. I am not aware of any precedent case that suggests otherwise, nor were any brought to my attention. Further the use must be in relation to “comparable products.” The applicant’s goods are not comparable to the wines protected under the PDO.

16. Irrespective of the above, Mr Clark relied most heavily on article 103(2)(b) which covers “misuse, imitation or evocation” of a PDO. However, before coming to this in more detail, I must deal with one area of dispute between the parties which impacts upon the potential for the evocation argument to succeed. The argument relates to the type of goods to which the applied for mark relates.

17. Mr Gallafent submitted that the specification of edible pet treats precluded consideration of potable products such as that set out in the evidence. He explained that the applicant’s evidence relating to that product was only filed to deal with the section 3(6) allegation of bad faith, nothing else. Ms Clark submitted that there was no evidence to show that the term “edible” precluded the type of goods in the evidence from falling within it. She submitted that the term “edible” simply indicates something that was not poisonous to the body. She also highlighted that the product shown in the evidence was intended to be poured over food, like a gravy or soup. She also highlighted that the applicant appears to have sold only one product under the mark and it would be extremely odd to believe that the application filed to protect its trade mark was for a specification which did not cover the only product it had sold.

18. In deciding this matter, I am struck by the fact that the applicant's witness makes no mention of any other form of treat sold under the mark and, also, his explanation that the product is to be poured over food. Therefore, whilst the product could potentially be drunk (the marketing material states that it could) the key manner of consumption, according to the witness, is to add it to other foods to create an edible dish. The faux wine product does, in my view, fall within the specification and such a form of use can be considered in deciding whether the use of the mark would constitute a "misuse, imitation or evocation" of the PDO.

19. The nature of evocation was described by the Court of Justice of the European Union ("CJEU") in *Gorgonzola* (Case C-87/97), where it was stated:

"25 'Evocation', as referred to in Article 13(1)(b) of Regulation No 081/92, covers a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose designation is protected.

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

20. Ms Clark also referred me to a number of cases including the decision in *EU IPO v Instituto dos Vinhos do Douro e do Porto* (C-56/16 P) where a similar point was made:

"Furthermore, there can be 'evocation' even in the absence of any likelihood of confusion between the products concerned, since what matters is, in particular, that an association of ideas regarding the origin of the products is not created in the mind of the public, and that a trader does not take undue advantage of the reputation of the protected geographical indication (see, in particular, judgment of 21 January 2016, *Viiniverla*, C-75/15, EU:C:2016:35, paragraph 45

21. It is, therefore, clear from the above that evocation is not dependant on a likelihood of confusion or an assumption by the relevant public that the goods sold under the Pawsecco mark is, or contains, actual Prosecco, or is in some way a licensed form of use. Mr Gallafent submitted that there would be no evocation in this case, referring to a number of cases which had held that evocation applied only to particular goods of the mark being challenged. However, I must of course bear in mind that Mr Gallafent's submissions were predicated upon his earlier submission that the applied for goods did not cover the faux wine product set out in the evidence. Ms Clark submitted that there was clear evocation and, indeed, this was the exact intention of the mark itself. She also referred to the various examples of consumer reaction where they at least drew some form of parallel with Prosecco.

22. I agree with Ms Clark. The applicant's witness stated that the mark was coined in order to allude to a type of wine. Indeed, the nature of the whole marketing strategy appears predicated upon an assumption that the potential consumer will see the evocation. The mark, and the pun of which it consists, does not work if Prosecco is not evoked. Thus, for the type of product shown in the evidence, there is clear evocation of the PDO. For completeness, I should also add that I agree with Ms Clark's further submission that even if the goods did not cover the type of product shown in the evidence, and it instead only covered more traditional treats for pets, evocation is still likely. It would be counterintuitive to believe that the applicant, who has coined the mark for the purpose of evoking the PDO, would not use it in a manner which achieves that evocation.

23. Even though I have found that the PDO will be evoked though the use of the applied for mark, I must still carefully assess whether such evocation is something that falls foul of the regulation. The regulation explains that the "protected designation of origin and a protected geographical indication, as well as the wine using that protected name in conformity with the product specifications, shall be protected against" ... "evocation". In relation to this, Ms Clark highlighted paragraph 97 of the recital to Regulation 1308/2013 which states:

"Registered designations of origin and geographical indications should be protected against uses which take advantage of the reputation enjoyed by

complying products. So as to promote fair competition and not to mislead consumers, that protection should also extend to products and services not covered by this Regulation, including those not found in Annex I to the Treaties.”

24. In relation to taking advantage and fair competition, Ms Clark submitted that *L’Oreal v Bellure* was analogous in which the CJEU stated:

“Article 5(2) of Directive 89/104 must be interpreted as meaning that the taking of unfair advantage of the distinctive character or the repute of a mark, within the meaning of that provision, does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. 6 Case C-56/16 7 Case C-487/07 The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of the mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark’s image.”

25. It seems to me an inevitable conclusion that the applicant must have seen some form of commercial benefit in choosing (and using) the name it did. It is essentially a pun, creating something of a marketing gimmick. The marketing gimmick is the combination of a faux wine product for pets coupled with the use of a name which evokes a popular (the evidence shows it is very popular and is currently very much in vogue) type of wine. The applicant is therefore taking advantage of the strong reputation possessed by the PDO, riding on its coat-tails. To tolerate such use would not promote fair competition. I conclude that the type of evocation that the applicant applied for mark creates is enforceable under article 103(2)(b). The ground of opposition succeeds. For completeness, I should add that the evidence of other traders using the name Prosecco on other products does not undermine this decision. As Ms Clark submitted, the opponent may not be aware of them all and, in any event, some of the goods may well contain Prosecco or otherwise promote Prosecco. This evidence does

not persuade me that the evocation that the applicant's mark creates should be regarded as fair competition.

26. Given that the opposition has succeeded under section 3(4), it is not strictly necessary to consider the other grounds of opposition. I will, however, touch on them, albeit, more briefly than I have done above.

Section 3(3)(b)

27. Section 3(3)(b) of the Act reads as follows:

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

(a)

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

28. In *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd Case C-259/04*, the Court of Justice of the European Union (“CJEU”) stated:

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

29. Ms Clark submitted that the mark signals to the relevant public that the goods comprise a specifically formulated Prosecco for pets, or contains Prosecco, or has been licensed under the PDO, or by the opponent, or by a Prosecco producer. She submitted that the evidence of reactions from members of the relevant public demonstrated that they saw it as Prosecco for pets.

30. Whilst I accept that the evidence shows that some members of the public have made reference to Prosecco when describing the applicant's product, even using language such as "Cat Prosecco", this is not in my view evidence that they actually assumed that the goods were a specific form of actual Prosecco for pets or contains actual Prosecco. It is highly unlikely that pet owners would assume that the product was actually wine (even if formulated for pets) or otherwise contained Prosecco. Furthermore, that the name is Pawsecco not Prosecco will further signal that this is not the real thing they are familiar with, or contains it. They will, instead, see it in exactly the way that it was intended. As an apparent marketing gimmick to help sell a novelty product for pets. As Mr Gallafent put it, they are simply carrying the pun forward. They will not assume it is Prosecco, contains Prosecco or has in some way been licenced by any party connected with the Prosecco industry. The ground under section 3(3)(b) is dismissed.

Section 5(4(a))

31. The relevant provision reads:

(4)(a) 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 12.

32. It is well established that passing off depends upon the existence of a) goodwill, b) misrepresentation, and c) damage. Ordinarily, the goodwill is that of a particular business, but the courts have long been prepared to recognise and prevent deceptive use of names that are distinctive of a particular class of products, such as Prosecco. There can be no doubt that Prosecco has a qualifying goodwill for wines which is protected under what has become known as the "extended form" of passing off. However, it is clear that misrepresentation remains an essential component of any passing off action and that depends on whether the offending sign will cause confusion or deception, or the likelihood of this¹.

¹ See the speech of Lord Diplock in *Advocaat* at page 93, lines 26-30.

33. Given my view as to the propensity of the relevant public being deceived into believing that the goods sold under the Pawsecco mark is Prosecco, contains Prosecco, or is in some way licenced by any party connected with the Prosecco industry, it follows that there is no misrepresentation as required under the law. The ground is dismissed.

Section 5(2)(b)

34. It seems to me that my finding under section 5(4)(a) is analogous in relation to this ground of opposition. Whilst the legal test is different, if members of the public would not believe that the applicant's goods sold under the Pawsecco mark are, or contain, Prosecco (or is licensed), there is no real prospect that the average consumer would believe that the goods sold under the competing marks come from the same or related economic provider, or more accurately in the case of the collective mark, that the goods come from a member of the collective. Indeed, the position is even starker here because the collective mark contains further points of difference from the PDO itself on account of its form of presentation. The ground is dismissed.

Section 5(3)

35. Whilst not abandoning the claim, Ms Clark indicated that she was not pressing the ground strongly. This is a sensible approach. This is because whilst the PDO itself, the word PROSECCO, undoubtedly has a reputation, the evidence is extremely poor in demonstrating the required reputation under the collective mark which comprises a particular figurative mark. There is no evidence of wine being sold under the collective mark as registered. There is evidence showing something similar to the collective mark being used in relation to promotional events, but, as Mr Gallafent pointed out, that use does not correspond to the collective mark that has been registered. The ground is dismissed.

Section 3(6)

36. Again, this was not a ground pressed by Ms Clark, accepting that it was tied, to a degree, to the other grounds of opposition. In other words, if the opponent had failed

on all other grounds it was difficult (although Ms Clark submitted not impossible) to make a finding under section 3(6). In my view, the ground takes the opponent no further forward and I do not consider it necessary to assess the ground in any more detail.

Conclusion

37. The opposition has succeeded. Subject to appeal, the registration of the mark is refused.

Costs

38. I have determined these proceedings in favour of the opponent. Both parties indicated that costs should follow the event, measured against the published scale. I award the opponent the sum of £2200 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Official fee: £200

Considering the statements of case and filing a counterstatements: £300

Considering and filing evidence: £1000

Preparing for and attending the hearing: £700

39. I therefore order Woof and Brew Limited to pay Consorzio di Tutela della Denominazione di Origine Controllata Prosecco the sum of £2200. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 21st day of May 2018

Oliver Morris

For the Registrar

the Comptroller-General