

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2175746
BY KINGSTON ESTATE WINES PTY LTD
TO REGISTER A MARK IN CLASS 33**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No 49506
BY CHAMPAGNE MOET & CHANDON**

TRADE MARKS ACT 1994

5 **IN THE MATTER OF Application No 2175746**
by Kingston Estate Wines Pty Ltd to register a
mark in Class 33

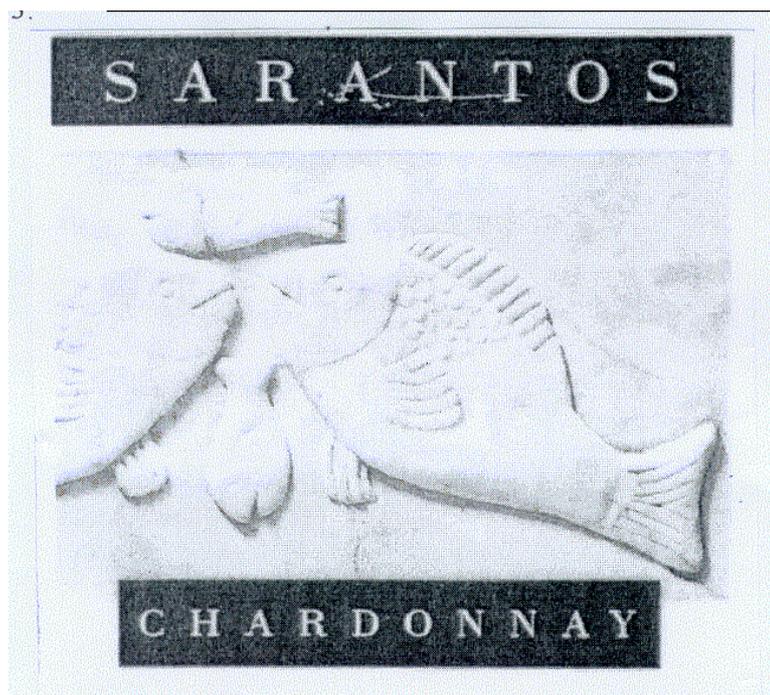
and

10 **IN THE MATTER OF Opposition thereto under**
No 49506 by Champagne Moet & Chandon

15 **DECISION**

On 25 August 1998 Kingston Estate Wines Pty Ltd applied to register the following mark for
wines in Class 33:

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The application is numbered 2175746.

On 23 February 1999 Champagne Moet & Chandon filed notice of opposition to this
application. They say they are the proprietors of an earlier trade mark, No 1493205, for the
45 mark SARAN registered in Class 33 for alcoholic beverages (Journal 5967/1841) and that this
mark has been used extensively in the UK. The opponents therefore contend that the
application in suit is open to objection as follows:

(i) under Section 3(6) in that it was made in bad faith in view of the opponents' use and reputation in their trade mark;

5 (ii) under Section 5 in that it is similar to the opponents' mark and proposed to be registered in relation to goods covered by their registration. Use of the mark applied for would, it is said, lead to confusion and/or association with the opponents. I take the wording of the objection to mean that it goes to Section 5(2)(b).

10 The opponents also say that registration or use of the mark would obstruct or prejudice the legitimate conduct of their business and should be refused in the exercise of the Registrar's discretion. No such power is available to me so I need say no more about this request.

The applicants filed a counterstatement denying the above grounds.

15 Both sides ask for an award of costs in their favour.

Both sides filed evidence. The parties were offered the opportunity to be heard but no request was made. The Registry subsequently indicated that a decision would therefore be taken from the papers. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

Opponents' evidence

25 The opponents filed evidence in chief from Jean-Marie Laborde, Chairman of Champagne Moët & Chandon (CM&C).

Mr Laborde attests to use of his company's mark in the UK since 1975. In more recent years sales have been as follows:

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<u>Year</u>	<u>Quantity (bottles)</u>	<u>Value (French francs)</u>	<u>Value £ sterling</u>
1993	1512	113627	11300
1994	1500	110505	11000
35 1995	1488	99339	9900
1996	1398	101500	10100
1997	936	79111	7900
1998	540	48454	4800

40 A footnote explains that the exchange rates between the French franc and £ sterling have varied over the years. The sterling values given here approximate to the exchange rate at 12 July 1999, which was around Ff10 to £1.

In support of the claim there is exhibited:

45 J-ML-1 - copies of price lists issued in the UK in the years 1975 to 1977 by CM & C's UK subsidiary

J-ML-2 - a selection of invoices sent to distributors in the years 1993 to 1998

5 J-ML-3 - a copy of an information sheet showing the style of labels and bottles used on SARAN wine and which describe the origin and nature and the reasons for the limited and variable production of SARAN wine

10 J-ML-4 - copies of labels used on SARAN wine

Mr Laborde notes that SARAN is a still wine made from Chardonnay grapes and that the mark of the application in suit contains the designation Chardonnay.

15 The opponents also filed a statutory declaration by David Alan Taylor of Mewburn Ellis, their Trade Mark Attorney.

Mr Taylor exhibits:

20 DAT-1 - a certified copy of registration No 1493205

DAT-2 - extracts from The Wine Drinkers's Handbook, by Serena Sutcliffe, published in London by Marshall Editions Limited in 1982;

25 The Sainsbury Book of Wine, by Christopher Fielden, published in London for J Sainsbury Limited, by Cathay Books in 1984;

30 The extracts from both books show the cover, publication details and pages relating to wines made from Chardonnay grapes. The extracts indicate that wines made from Chardonnay grapes are a suitable accompaniment for fish and seafood dishes;

35 Mr Taylor, therefore, submits that the device of a fish, appearing in the mark, the subject of application No 2175746 is descriptive of the "kind, quality or intended purpose" of the goods specified in the application and described by the word CHARDONNAY in the subject mark itself.

Applicants' evidence

40 The applicants filed statutory declarations by Richard Stuart Catt, Paul Beric Dyson and Scott Washington. Mr Catt is an Australian Patent and Trade Mark Attorney with the firm of Madderns and acts on behalf of the applicants. He gives evidence that the trade mark SARANTOS co-exists with SARAN in Australia (where it is registered as part of a composite mark) and in New Zealand. He exhibits (RSC1) a database extract in support of the latter. In the United States the applicants are also prosecuting an application for registration of
45 SARANTOS. Mr Catt says that no opposition has been filed against the application and a registration certificate is awaited (exhibits RSC2 and 3 are provided in support).

Mr Dyson is a partner in the UK firm of Trade Mark Attorneys, Bailey Walsh & Co. The main points in his declaration are:

- 5 S submissions in relation to the issue of comparison of marks
- S the provision (PBD1) of the results of a register search showing 2 other marks which include the element SARAN. Both consist of or include the word SARANO and are in the ownership of Angove's Proprietary Ltd
- 10 S the introduction of a letter (PBD2) from Moet Hennessy UK Ltd in response to enquiries which suggests that SARAN wine is no longer available in this country.

15 Mr Washington is Sales and Marketing Manager for the applicants' UK subsidiary. He gives evidence as to the reason for adoption of the mark SARANTOS (it being the christian name of one of the original founders). I take this to be in response to the Section 3(6) objection. He also suggests that the SARAN product has not been produced since approximately 1995 and is not available for sale in the UK. When it was on offer it was only available to the restaurant trade and not through retail outlets to the public.

20 That completes my review of the evidence.

25 I can deal fairly shortly with the Section 3(6) ground. The objection is said to be that the application was made in bad faith in view of the opponents' use of and reputation in their trade mark. That seems to me to be more in the nature of a relative ground objection. The opponents do not offer any other basis for such a claim and there is nothing in the evidence to suggest that the applicants' behaviour falls short of "the standards of acceptable commercial behaviour observed by reasonable and experienced men..." (GROMAX 1999 RPC 367 at page 379). The applicants have explained how they came to choose the word SARANTOS.

30 The onus is on the opponents to make good their claim. They have not done so. The Section 3(6) ground is, therefore, dismissed.

Section 5(2) appears to be the main ground of attack. The Section reads as follows:

- 35 "5.-(2) A trade mark shall not be registered if because -
- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- 40 (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."

45 As identical marks are not involved sub paragraph (b) applies here.

I take into account the guidance provided by the European Court of Justice in *Sabel BV v Puma AG* (1998 RPC 199 at 224), *Canon v MGM* (1999 RPC 117) and *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BC* (1999 ETMR 690 at 698).

5 It is clear from these cases that:-

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- 10 (b) the matter must be judged through the eyes of the average consumer, of the goods/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;
- 15 (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 therefore be
20 assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;
- 25 (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;
- 30 (g) 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);
- (h) but if the association between the marks causes the public to wrongly believe
35 that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section.

There is no dispute between the parties so far as the goods are concerned. They are identical. The opponents' specification covers alcoholic beverages in Class 33 and wines are the specific
40 goods of interest. The matter, therefore, turns on the marks themselves.

The opponents' mark is the word SARAN. The applicants' mark is the composite one shown at the start of this decision which includes the word SARANTOS. The test set out above requires me to consider the distinctive and dominant components of the respective marks. The
45 opponents' mark is a word only one. It is a less straightforward matter to determine what would be seen as the distinctive and dominant elements of the applicants' mark (accepting that CHARDONNAY is entirely descriptive of the grape variety used). The opponents have filed

evidence to show that Chardonnay is a wine that is particularly suitable for consumption with, inter alia, fish dishes. On that basis it is said that the device of fish is descriptive of the kind, quality or intended purpose of the goods and by implication, therefore it is the word SARANTOS which is likely to be seen as the distinctive and dominant element of the mark. I
5 accept that Chardonnay wine may be particularly suitable for fish dishes though conventions on wine drinking are more relaxed than they might at one time have been and even the opponents' own evidence (J-ML-3) acknowledges that SARAN (a Chardonnay) is a good accompaniment to cheese as well as seafood and fish. More particularly, however, the above finding does not necessarily have the consequences for the device element of the mark that the
10 opponents would have me accept. My reasons for saying this are that;

S the device makes a visually important contribution to the overall character of the mark

15 S the device of fish is in stylised form and presented in what appears to be a bas-relief effect such that it would be taken to be distinctive trade mark matter

S it is common for wine bottles to give an indication of the sort of food for which the wine is likely to be a good accompaniment. But such information is usually
20 consigned to words on the descriptive label on the reverse of the bottle and not presented boldly in graphic form on the front.

In my view, therefore, the device is a significant element within the totality of the mark. Whilst I go on to consider the parties' views in relation to the word elements of their respective
25 marks, in the final analysis I must take into account the marks as wholes including in the applicants' case the device.

It is the words SARAN (the earlier trade mark) and SARANTOS (part of the applied for mark) that are the main reason for the opponents' concern. It does not require detailed
30 analysis on my part to establish that the whole of the earlier trade mark is contained in the word SARANTOS. Thus there is an immediate point of visual similarity. Even so the fact that two marks have an element in common does not necessarily result in confusion. SARANTOS is a longer word than SARAN. I do not think one is likely to be mistaken for the other, even if imperfect recollection is taken into account.
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I have not been given much assistance as regards how the words are, or are likely to be, pronounced. SARAN does not appear to offer many pronunciation options other than the question of where the stress will fall (most likely to be the second syllable in my view). SARANTOS is, I think, more likely to be pronounced SARAN-TOS rather than SARANT-
40 OS or other possible ways and with the stress on the middle syllable. On that basis one view of the matter is that it is the element in conflict which is likely to be brought out in speech. It has also been long accepted that the beginnings of words are particularly important (TRIPCASTROID 42 RPC 264 at page 279). On the other hand it does not strike me that the termination of SARANTOS is likely to be slurred or lost in speech. So I reject the possibility
45 of direct aural confusion.

As to conceptual confusion, the applicants' mark has a slightly Spanish ring to it but in the absence of any evidence to the contrary, I assume both words would be regarded as invented ones in this country. Customers will almost certainly not be aware of the reasons for the adoption of the applicants' mark. The opponents' mark appears to be the name of a Chateau and vineyard, (Exhibit J-ML-3) but whether customers would be aware of this is unclear.

Notwithstanding the above I consider that the element SARAN is not so obscured or embedded in the word SARANTOS that it will go unnoticed. That is even more likely to be the case with invented words than with dictionary words where the different meanings serves to differentiate between otherwise similar words. Although, therefore, I do not regard direct visual, aural or conceptual confusion to be likely there remains the possibility that the public might make some form of association between the respective words because of the common element.

It is clear from the Directive (89/104/EEC) that the function of the protection afforded to a registered trade mark is to guarantee the trade mark as an indication of origin (recital 10). It was also held in *Sabel v Puma*:

"..... the criterion of "likelihood of confusion which includes the likelihood of association with the earlier mark" contained in Article 4(1)(b) of the Directive is to be interpreted as meaning that the mere association which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion within the meaning of that provision."

The principle has more recently been reaffirmed in *Marca Mode CV v Adidas AG* (Case C-425/98 - judgment of the Court delivered on 22 June 2000) in relation to the comparable wording in Article 5 dealing with the rights conferred by a trade mark:

"Article 5(1)(b) of the Directive is designed to apply only if, because of the identity or similarity both of the marks and of the goods or services which they designate, 'there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark. It follows from that wording that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope. The very terms of the provision exclude its application where there is no likelihood of confusion on the part of the public (see, as regards Article 4(1)(b) of the Directive, *SABEL*, paragraph 18). Protection of a registered mark thus depends, in accordance with Article 5(1)(b) of the Directive, on there being a likelihood of confusion (see, as regards Article 4(1)(b) of the Directive, Case C-39/97 *Canon Kabushiki Kaisha v MGM* [1998] ECR I-5507, paragraph 18)."

Thus, if an objection is to be upheld under Section 5, the association that might be made between two marks must be such as to lead to a likelihood of confusion. Association which is of a more inconsequential kind or which leads to a mere possibility of some people being confused will not found a successful attack.

I must not forget in this particular case that it is not just the same general category of goods (wines) that is involved but also a quite specific sub-set of goods namely Chardonnay wines. Is this a case where the circumstances combine to elevate association to a point where there is a likelihood of confusion? I am not persuaded that there is such a likelihood . Customers for wine are, at the very least, likely to exercise a modicum of care in their purchases. In most retail environments selection will be by positive choice from a range of wines on display thus requiring some attention to and discrimination between the type and brand of goods on offer. Moreover as I have already indicated I differ from the opponents in my view of the device element of the applicants' mark. In my view it makes a significant impact and contribution to the overall character of the mark even if it does carry the sub-text that the wine is suitable for consumption with fish dishes. In short I do not think there is a likelihood of confusion.

There is a further aspect of the case I must consider. The opponents rely not just on their registration (No. 1493205) for SARAN but also their use of that mark. In this respect I bear in mind criteria (f) above. Should my above view be displaced as a result of any enhanced degree of distinctive character enjoyed by the opponents' mark? It will be apparent from the evidence summary that SARAN wine has only been sold in small quantities because part of the grape harvest is reserved for the making of Dom Perignon. It seems unlikely that such relatively low sales can have made a significant impact on such a large market. Of rather greater significance however is the fact that in use the word SARAN is used on a label in the form of a shield device and the words Moet & Chandon (albeit in smaller letters), Coteaux Champenois (and other descriptive matter). The mark used is thus a rather more complex one than the word SARAN alone and with other brand identifiers present. I do not regard the use shown as being sufficient or of a kind to further the opponents' case under Section 5(2). The opposition therefore fails.

As the applicants have been successful they are entitled to a contribution towards their costs. I order the opponents to pay the applicants the sum of £435. 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 24 day of August 2000

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M REYNOLDS
40 **For the Registrar**
The Comptroller-General