

O-363-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2258935
BY VINA SAN PEDRO S.A
TO REGISTER A TRADE MARK:**

IN CLASS 33



AND

**THE OPPOSITION THERETO
UNDER No. 52728
BY VRANKEN MONOPOLE**

VIÑA SAN PEDRO, THE VINEYARD OF SOUTH AMERICA AND ITS PEOPLE

BACKGROUND

1. On 23rd January 2001 Vina San Pedro S.A. applied to register the trade mark shown on the front page of this decision. Registration is sought in respect of “Wines” which fall in Class 33 of the International Classification of Goods and Services.
2. On 21st June 2001 Vranken Monopole filed a notice of opposition to the application. Their grounds are based on Section 5(2)(b) and 5(4)(a) of the Act. The opponent relies on two earlier marks, namely:

Mark	Number	Application Date	Goods/services
	2107979	19/08/96 (priority claimed from 8/03/96)	Class 33: Port
	1472131	30/07/91 (priority claimed from 22/04/91)	Class 33: Port Wines included in Class 33

3. The applicant filed a counterstatement in which they deny the grounds on which the opposition is based. They state that the opponent does not have exclusive rights in the word “PEDRO” and refer to two other marks on the register that include this word. The applicant also points out that they are the owners of registration No. 2134091 which consists of a word only mark for “SAN PEDRO”; they state that this mark has been in use for several years without any instances of confusion arising. Both sides seek an award of costs.
4. Both sides filed evidence in the proceedings. Following the completion of the evidence rounds the parties were advised that a decision could be made without recourse to an oral Hearing, but were, nevertheless, given an opportunity to request a hearing or to file written

submissions. Neither party requested a hearing. The opponent did, however, file written submissions for my perusal. Accordingly, I will make a decision following a careful study of all the papers before me.

EVIDENCE

Opponent's evidence

Witness statement of Benedicte Lefevre

5. Ms. Lefevre is the General Manager of Vranken Monopole UK Limited, the opponent's UK subsidiary company. She begins her statement by stating that the trade mark SAO PEDRO was adopted in the UK in 1997 and use had been made since that date in relation to wines and ports. She claims that the opponent has acquired a substantial goodwill and reputation under the mark. Sales and turnover figures are provided, namely:

YEAR	BOTTLES SOLD	TURNOVER (£s)
1997	390	10, 543
1998	129	3, 974
1999	No figures available for the UK	No figures available for the UK
2000	816	20,272
2001	54	298

6. Ms. Lefevre then refers to Exhibit BL1 which consists of two invoices from the year 2001. These are said to be typical of those distributed since 1997. Both invoices refer to "PORTO SAO PEDRO". She also refers to Exhibit BL2 which consists of a price list issued by one of the opponent's customers. The contents page of this price list refers to SAO PEDRO as appearing on page 46. However, I note that on page 46 the product is referred instead as SAN PEDRO. No explanation is given for this change of prefix.
7. Ms. Lefevre then states that SAO PEDRO has featured extensively in the trade press since 1997. Exhibit BL3 consists of an extract from "Harpers Wine and Spirit Directory 2001" and refers to SAO PEDRO as being a port available from Vranken Monopole UK Limited. Exhibit BL4 consists of an extract from the publication "Decanter" in the year 2001; this contains a reference to "DAS AGUIAS, SAO PEDRO" under a section entitled "Late Bottled Vintage Port". Exhibit BL5 consists of a 2001 edition of a publication called "INFO" which is a magazine published by the French Chamber of Commerce in Great Britain; the magazine includes an article on port tasting and refers to "PORTO SAO PEDRO" as one of the products tasted.
8. Ms. Lefevre completes her statement by stating that she believes that the trade mark SAO PEDRO has become well known to a substantial number of the public as denoting wines and spirit products which are offered by her company alone.

Witness statement of Jacques Pechereau

9. Mr. Pechereau is the General Manager of Pour L'Armour du Vin, a wholesaler of wines and port wines. He states that in the course of business his company stocks the following of the opponent's products: Sao Pedro Ruby, Sao Pedro LBV 1994 & Sao Pedro 10 years old. These have been stocked for at least 2 years.

10. Mr. Pechereau states that to his knowledge, Sao Pedro products first appeared in the UK market in 1997 and that they are well known within the wine and spirits trade. He states that he is not aware of any other company using the trade mark SAO PEDRO or SAN PEDRO in relation to wines or port wines. Mr. Pechereau completes his statement by saying that if he were to receive an order for a SAN PEDRO product then he would assume this to be a reference to the opponent's SAO PEDRO range. This assumption appears to be based on the fact that product orders are often taken over the telephone and that he would assume that a reference to SAN PEDRO was simply a mispronunciation of the opponent's SAO PEDRO name.

Witness statement of Lesley Cifaldo

11. Lesley Cifaldi is the Director of Italian Fine Wines, a wholesaler of wines and port wines. The content of the statement is almost identical to that of Mr. Pechereau save that this company does not appear to stock SAO PEDRO LBV 1994 and that, to their knowledge, the SAO PEDRO product first appeared in the UK market in the year 2000.

Applicant's evidence

Affidavit of Maria Claudia del Fierro

12. Ms. del Fierro is the assistant to the Export Sales Director of Vina San Pedro S.A., the applicant in this matter. She states that Vina San Pedro was founded in 1865 and is now the second largest wine producer in Chile. She also states that the SAN PEDRO mark has been used continuously in the UK since at least 1988 in relation to wines. She refers to Exhibit MCF1 which consists of a print out from the "international reports.net" web-site; this print out comments on the applicant's wine producing business and states that SAN PEDRO is one of the largest and most renowned wineries in Chile. The print out also states that SAN PEDRO is the second largest wine exporter in Chile and states that during 2001 it exported \$14 million worth of wine to the UK.
13. Ms. del Fierro then refers to Exhibit MCF2 which consists of a number of invoices issued in 1995 & 1996. She states that these are typical of those distributed by her company since 1985. I note that all the invoices have been issued to the same company, namely Buckingham Vintners International of Berkshire. Ms. del Fierro then provides some turnover figures in US\$, namely:

YEAR	TURNOVER (US\$)
1997	6,070,810,75
1998	9,032,617,00
1999	10,000,033,00
2000	11,523,214,78
2001	12,596,667,10
2002	12,653,607,54

14. Although I have included the above figures in this summary, it is difficult to obtain any real significance from them. Ms. del Fierro does not state that these figures are for the UK market alone and therefore they could relate to the applicant's total worldwide turnover.

15. Ms. del Fierro then states that the trade mark SAN PEDRO has been widely promoted in the UK. She exhibits extracts from a number of magazines carrying advertisements for the SAN PEDRO product. Also exhibited are some press releases from the “Harpers Wine and Spirits” web-site that also refer to SAN PEDRO wine.
16. Ms. del Fierro also states that the opponent has provided no evidence to show that they have used the mark in relation to wine, she feels that only evidence for port has been shown. She exhibits an extract from the opponent’s own web-site that refers to the SAO PEDRO product as being a port product. Ms. del Fierro states that port and wine are not similar products; she bases this opinion on the fact that port can only be produced in a certain region of Portugal and, further, that port and wine are sold in different areas of a supermarket.
17. Ms. del Fierro completes her affidavit by stating that through the length and extent of their use, the mark SAN PEDRO in the UK in relation to wine has become known as denoting and identifying the goods of the applicant. She also states that the mark under opposition is even further away from the mark SAN PEDRO solus and consequently there is no likelihood of confusion.

Witness statement of Cliff Roberson

18. Mr. Roberson is the Managing Director of Buckingham Vintners International Limited, a wholesaler of wines in the UK. He states that his company have been selling VINA SAN PEDRO wine since 1998 throughout the UK and that these wines are well known in the wine trade. He also states that in the course of his business he has never come across a product called SAO PEDRO.

Opponent’s evidence in reply

Witness statement of Angela Claire Thornton-Jackson

19. Ms. Thornton-Jackson is the opponent’s trade mark attorney. Her statement consists of no more than a simple critique of the applicant’s evidence. Her basic contentions are that despite the applicant’s claims, she does not feel that the evidence demonstrates that the SAN PEDRO wine is well known in the UK. She also takes the view that wine and port are similar products.

DECISION

Section 5(2)(b) objection

20. The first ground is under Section 5(2)(b), the relevant legislation reads:

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

(a) .. ,

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

21. An earlier right is defined in Section 6, 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) or Community trade mark 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”

22. In approaching this section I am mindful of the following decisions of the European Court of Justice (ECJ) on this provision (equivalent to Article 4(1)(b) of Directive 89/104/EEC) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723. It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV*, paragraph 23, 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*, paragraph 27;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV*, paragraph 23;
- (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*, paragraph 23;
- (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*, paragraph 17;
- (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*, paragraph 24;
- (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); *Sabel*, paragraph 26;
- (h) 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*, paragraph 41;
- (i) 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*, paragraph 29.

The average consumer

23. The above case law tells me that these questions must be looked at through the eyes of the average consumer. The products in question are wine and port wine. The average consumer of these products will be members of the general public at large who have reached the legal age for purchasing and consumption of alcoholic beverages. Amongst this “average consumer” will be those who have acquired a sophisticated knowledge of wine and would regard themselves as connoisseurs of these goods, but there will also be many less sophisticated consumers who will not have the same extent of knowledge.

Similarity of goods

24. In order to assess the similarity of the goods/services, I note the test set out by Mr. Justice Jacob in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 at page 296; one must consider:
- (a) the uses of the respective goods or services;
 - (b) the users of the respective goods or services;
 - (c) the physical nature of the goods or services;
 - (d) the trade channels through which the goods or services reach the market;
 - (e) in the case of self-serve consumer items, where in practice they are respectively found or likely to be found on the same or different shelves; and
 - (f) the extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods or services, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

The above factors were referred to in the opinion of the Advocate General in *Canon*; page 127, paragraphs 45-48. In its judgment, 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 end users and their method of use and whether they are in competition with each other or are complementary.”



25. According to Collins English Dictionary, port is a ‘sweet fortified dessert wine’. As such, I consider port to be a sub-group of wine. Given that the applicant seeks registration for the general term ‘wines’, this must also be taken to cover port wine. Identical goods are therefore involved. Even if the applicant had positively excluded port wine or even all fortified wines from their specification, I still consider the goods to be highly similar.
26. I note the evidence of Ms. del Fierro, summarised in paragraph 16 *supra*, in relation to the similarity of the goods at issue. However, there is no material before me to show that port

wine occupies such a discrete market that it can be considered to be dissimilar to wines in general. In fact, the brochure enclosed in Exhibit BL2 (to the Witness Statement of Mr. Lefevre) contains both wines and ports.

27. Although there are differences in production methods, the nature, uses and users of the goods are all similar. Whilst the more sophisticated average consumer – wine lovers or connoisseurs – will be aware of the special nature of port wine, there will be many consumers who will not. Further, there is no evidence showing that producers of port wine do not produce other types of wine or *vice versa* such that one might more easily exclude a trade connection.

Similarity of marks

28. When considering the question of similarity, I do so with reference to any visual, aural and conceptual similarities whilst bearing in mind their distinctive and dominant elements. For ease of reference, I reproduce the marks below:

Opponent's mark	Applicant's mark
	
	<p>VIÑA SAN PEDRO, THE VINEYARD OF SOUTH AMERICA AND ITS PEOPLE</p>

29. It is clear from a simple face value comparison that the opponent's marks and the applicant's mark all contain additional matter other than the elements SAO PEDRO/SAN PEDRO. If the respective marks as registered/applied for were simply the latter then the matter would have been more apparent. However, though, ECJ jurisprudence tells me that I must compare the marks as a whole (as consumers will not analyse the various details of a trade mark) I am also instructed, when making a comparison, to take into account the distinctive and dominant elements. It is these elements that will trigger confusion. In the *Torreomar Trade Mark* [2003] R.P.C. 4 case the Appointed Person stated that (paragraph 21), when the marks in issue are not identical, they need to be *distinctively similar* in order to be capable of inducing a belief that

they come from the same undertaking in the mind of the average consumer of the goods on which they appear.

30. From my own purchasing experience I know that alcoholic products often carry labels containing a lot of information. Much of this information is non-distinctive in nature and the consumer must therefore differentiate between this and the actual sign under which the product is offered. Indeed, normal and fair use of a trade mark – that is, the applicant’s mark – would include use in a label form, with other descriptive material. This makes me, in effect, blind to the veritable ‘busyness’ of the opponent’s marks – to, that is, much of the excess material they contain. It follows from this, that the distinctive and dominant elements in these marks – those elements that identify trade source – are the words SAO PEDRO and SAO PEDRO.
31. The latter is particularly the case in the opponent’s first mark (which I feel represents their best case) where the words SAO PEDRO stand out far more than the other elements. The positioning at the top of the mark coupled with its visual dominance emphasises this point. The words “RUBY”, “PORTO”, “SUPERIOR” and “PREMIUM QUALITY” will be seen as nothing more than descriptive matter relating to the product. The words “DAS AUILLAS” are also present in the mark and must be taken into account in my comparison, but I am conscious that these are not as prominent and whilst they aid distinction they do not do so to a great extent. In their Counterstatement, the applicant runs the latter phrase together with SAO PEDRO: this is not the way they appear in the mark. Further, I do not accept that most consumers will be aware that Das Aguilas means ‘of the Eagles’.
32. In the applicant’s mark I believe that the average consumer will view the words THE VINEYARD OF SOUTH AMERICA AND ITS PEOPLE as a mere strap line with the purpose of identifying the geographical origin of the product – these words hold little distinctive value. The word VINA will, I feel, be seen as a descriptive word meaning or at least alluding to wine; therefore the distinctive value in the applicant’s mark resides in the words SAN PEDRO.
33. Having identified what I consider to be the distinctive and dominant elements of the respective marks, I have little doubt in determining that the respective marks are similar. Visually, a mark viewed as a SAO PEDRO trade mark has obvious similarities with a mark viewed as SAN PEDRO. The same can be said for their aural similarities. There is also a conceptual link given that both are based on the PEDRO element the concept of which will be a forename. The conceptual link will be even stronger for some consumers who will know that both SAO PEDRO and SAN PEDRO means “St. Peter” in their respective languages.
34. In summary, I must still come to the conclusion, noting the marks distinctive and dominant elements – whilst acknowledging that the additional matter in each aids distinction to some extent – that the marks demonstrate a reasonably high degree of similarity.

Distinctiveness of the earlier mark

35. When considering a claim under Section 5(2)(b), an assessment of the distinctive character of the earlier mark is conducted in order to ascertain whether it is entitled to enhanced protection (see point (f) above). The distinctive character may reside in the inherent qualities of the marks and/or through the use made of them.

36. The distinctive value in the opponent's mark resides in the words SAO PEDRO. These words have no obvious descriptive connotation. I consider the marks to have a reasonable degree of distinctiveness, but I can see nothing in their inherent characteristics for me to reach the determination that they are highly distinctive. The mark is arbitrary, but not 'fancy'. I have seen no evidence to show the phrase is used in the marketplace by different suppliers, such that its capacity to distinguish would be reduced.
37. As to the use demonstrated by the opponent, this is scant. The turnover and sales figures are not great: in their most successful year the product sold only 816 bottles. None of this amounts to the creation of a *Sabel* reputation. And the other material provided by the opponent does not take their case any further forward. I am left with a mark demonstrating a tolerably high, inherent, capacity to distinguish.

Likelihood of confusion

38. The applicant has also presented evidence regarding the use made of their mark. I do not see what this achieves as part of my global assessment of the likelihood of confusion. I have already stated that the turnover figures provided by the applicant are not specifically claimed for use in the UK. Even if I were to accept that substantial use of the applicant's mark had been made, the fact that the opponent has made little use of his mark means that the respective marks have not encountered each other to any great extent in the UK market with the consequence that there is no evidence to show that, in practice, the average consumer has been able to differentiate between them.
39. I have found that the goods in question are identical. I have also found the marks to be similar to a reasonably high degree. Whilst the additional matter contained in each of the marks may mean that direct confusion is unlikely, I feel that this is certainly a case where a consumer may believe the respective products to come from the same or an economically linked undertaking. I therefore find that there is a likelihood of confusion. The ground of opposition is therefore upheld.

Section 5(4)(a) Objection

40. Given that I have already found in favour of the opponent, I do not propose to separately consider whether the opponent would have also succeeded under this head. If I am found to be wrong under Section 5(2) I do not see that Section 5(4) places them in any better position.

COSTS

41. The opponent has succeeded and is entitled to a contribution towards their costs. I order the applicant to pay to them the sum of £1300. 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 24th Day of November 2003.

**Dr W J Trott
Principal Hearing Officer
For the Registrar**