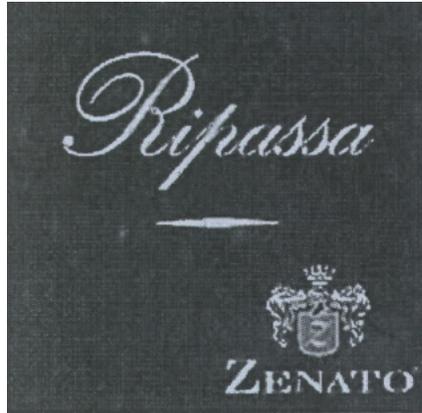


O-559-17

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No. 3166457
BY CANTINA BROGLIE 1 S.R.L.
TO REGISTER THE TRADE MARK**



IN CLASS 33

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 407254 BY
CAMERA DI COMMERCIO, ARTIGIANATO A AGRICOLTURA DI VERONA**

BACKGROUND

1) On 9 June 2016, Cantina Broglie 1 S.R.L. (hereinafter the applicant) applied to convert an EU mark to a UK trade mark (conversion number 005877865). The trade mark is as shown on the front page of this decision and is in respect of the following goods in Class 33: Alcoholic beverages (except beers).

2) The application was examined and accepted, and subsequently published for opposition purposes on 1 July 2016 in Trade Marks Journal No.2016/027.

3) On 26 August 2016 Camera di Commercio Industria, Artigianato e Agricoltura di Verona (hereinafter the opponent) filed a notice of opposition. The opponent is the proprietor of the following trade mark:

| Mark | Number | Dates of filing & registration | Class | Specification relied upon |
|-------------------------|------------|---|-------|------------------------------------|
| VALPOLICELLA RIPASSO | EU 5054606 | Filing date 03.05.06 05.12.07 Priority date 16.03.06 Priority country Italy TM from which priority claimed PN2006C000040 | 33 | Wine from the Valpolicella region. |

a) The opponent states that it is relying upon its specification of “Wine from the Valpolicella region”. The opponent contends that as its mark and the mark applied for contain, respectively, the words RIPASSO and RIPASSA, which the opponent contends are very similar, and as the opponent contends that goods of the two parties are identical, the mark in suit offends against Section 5(2)(b) of the Act.

4) On 14 November 2016 the applicant filed a counterstatement basically denying that the marks and goods and services are similar, pointing out that its specification is wider than the goods relied upon by the opponent and it denies that there is a likelihood of confusion. It puts the opponent to strict proof of use of its mark upon “Wine from the Valpolicella region”.

5) Both sides filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard. Both sides provided written submissions which I shall refer to as and when necessary in my decision.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 27 February 2017, by Cesare Veneri the Secretary General of Camera di Commercio Industria, Artigianato e Agricoltura di Verona (the Verona Chamber of Commerce) the opponent, a position he has held since 2001. He states that the chamber of commerce is an independent legal body whose purpose is to represent and further the general interests of commercial enterprises in the Veneto region in Italy. His statement is based upon his own knowledge and he also has access to the records of the opponent, and he is authorised to make the statement on its behalf. He states that "Valpolicella" became a controlled Designation of Origin (DOC) in 1968, with "Valpolicella Ripasso" achieving DOC status in 2010. He states that the opponent drew up a set of regulations to control the quality of the wine produced which licensees have to sign to abide by. He states that the opponent's mark has been used, with its consent, since 2006. He provides the following figures for production of wine under the opponent's mark. He states that each hectolitre of wine produces 133 75cl bottles of wine. I have used this measure in the following column.

| Year | Hectolitres | 75cl bottles million (approximately) |
|-------|-------------|--------------------------------------|
| 2012 | 181,184 | 24.1 |
| 2013 | 189,304 | 25.2 |
| 2014 | 202,136 | 26.9 |
| 2015 | 210,138 | 27.9 |
| 2016 | 218,157 | 29.0 |
| Total | 1,000,919 | 133.1 |

7) Mr Veneri states that wine under the mark in suit is sold throughout the EU. In the UK it is offered for sale in supermarkets, off licences, on-line and in pubs and restaurants. He states:

"11. "Valpolicella" wines have been popular in the United Kingdom since the 1970's. Indeed in the 1970's and 1980's, the wine was very much in fashion as an easy drinking table wine that enjoyed a high level of sales in the United Kingdom. As a result, I believe that Valpolicella is

likely to be widely known by the average consumer of wine in the UK as denoting a well-known Italian wine region, and in particular denoting the wine from that region.”

8) Mr Veneri states that the two parties have been engaged in a number of trade mark disputes, despite the applicant being a licensee of the opponent and producing wine under the opponent’s mark under its quality standard rules. He points out that the EUIPO found for the opponent when the applicant sought to register its mark, although I note that this was opposed on the basis of an Italian registration for the word RIPASSO. He also provides the following exhibits, in which whilst I accept the wine sold has the opponent’s mark in suit upon it, they also invariably carry the marks of the various wineries which have produced this type of wine:

- CV3: A list of approximately 200 wine producers authorised to use the mark in suit.
- CV4: Sample of invoices showing sales of wines under the opponent’s mark in UK, Belgium, France, Germany, Italy, Austria and Denmark. These are dated between 2011 and 2016. These show use of the opponent’s mark in addition to use with other words in the following combinations: Valpolicella Ripasso Superiore; Valpolicella Ripasso Classico Superiore; Valpolicella Classico Superiore; Valpolicella Classico and Valpolicella Classico Superiore Ripasso. This exhibit includes 5 invoices dated between July 2011 and October 2011 at pages 48, 64, 65, 66 & 88.
- CV5: Extracts from online sources showing wine under the opponent’s mark on sale in the UK. Also included in this exhibit are press articles from the UK which mention wine under the opponent’s mark.
- CV6: Wine under the mark in suit has won a number of awards.
- CV7: An extract from Collins English dictionary which has a definition of “Valpolicella” as “a dry red table wine from the Veneto region of NE Italy”. This exhibit also contains press articles from the UK which refer to the fame that Valpolicella wines have enjoyed in the UK since the 1980’s. I note that the reputation was for “cheap plonk” or “thin, watery wine”

- CV8: An article referring to the “Valpolicella wine route” from the Guardian dated December 2016 which begins: “Verona’s vineyards, once renowned for churning out basic pizzeria plonk, are now producing some of the country’s finest reds”.
- CV10: Extracts from various websites which are said to show consumer confusion between the words RIPASO and RIPASSA. I note that these appear to be of USA origin and that a number of the posters seem to equate the name to the process of re-passing wine over partially dried grapes used to make Amarone.

APPLICANT’S EVIDENCE

9) The applicant provided a witness statement, dated 15 May 2017, by Nadia Zenato a director of Cantina Broglie 1 S.R.L. (which is wholly owned by the applicant), a position she has held since June 2014. She states that there are four DOC’s: VALPOLICELLA; VALPOLICELLA RIPASSO; AMARONE DELLA VALPOLICELLA and RECIOTO DELLA VALPOLICELLA. She states that her company has produced wines from 2012-2016 inclusive that are in compliance with the production specifications of the DOC VALPOLICELLA RIPASSO SUPERIORE and she provides certificates to back up this claim at exhibit NZ4. She points out that the label used upon the wines sold by her company have the mark in suit upon them, but also have (between the words RIPASSA and ZENATO plus device) the words VALPOLICELLA RIPASSO DENOMINAZIONE DI ORIGINE CONTROLLATA SUPERIORE and the year. She points out that in seeking as trade mark registration they removed the DOC reference as they are descriptive and left only the dominant and distinctive elements. She denies that her company has ever been a licensee of the opponent but is authorised to use the term, as confirmed by the documents at NZ4. She states that, just like the wine labels shown in the opponent’s evidence, her company sells wine with the name of the manufacturer ZENATO and its device element and also the word RIPASSA which she describes as alluding to the technique known as ripasso, and is therefore a fanciful term.

10) Ms Zenato points out that the instances of confusion referred to by the opponent and instanced in its exhibit CV10 actually show that most of the posters are aware that the term is only used by the applicant company and that the word alludes to the technique of re-passing. She also points out that the mark in suit has been used in the UK by the applicant since 1998 on thousands of bottles of wine, with no cases of confusion coming to light.

OPPONENT'S EVIDENCE IN REPLY

11) The opponent filed a witness statement, dated 20 July 2017 by Tom Albertini, the opponent's Trade Mark Attorney. He takes issue with the assertion by the applicant in its submissions that the previous trade mark disputes between the companies are irrelevant and that RIPASSO is a descriptive term. He refers to a number of cases before the EUIPO and General Court (GC), in particular cases R 700/2010-2; R183/2010-2; T-154/11 and T-153/11. In these cases the EUIPO found:

“Given this, the Board considers that the above mentioned meaning of the term RIPASSO in relation to the wine sector is not known to the majority of the Italian public, this majority consisting particularly of less-knowledgeable end consumers not from the Veneto region. Consequently, for such end consumers, the term “RIPASSO” does not have any relationship with the goods in question and only has an average distinctive character.”

Whilst the GC found:

“a substantial part of the target public [Italian consumers] would ignore/be unaware of the meaning of the term “ripasso” in the wine field.”

12) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

13) The only ground of opposition is under section 5(2)(b) which 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.”

14) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“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.”

15) The opponent is relying upon its trade mark listed in paragraph 3 above which is clearly an earlier trade mark. The applicant requested that the opponent provide proof of use. Given the interplay between the date that the opponent’s mark was registered (5 December 2007 with a priority date of 16 March 2006) and the date that the applicant’s mark was published (1 July 2016), the proof of use requirement bites. Section 6A states:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) 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.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

16) Section 100 of the Act states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

17) In *Awareness Limited v Plymouth City Council*, Case BL O/230/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

18) In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in

any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

19) As the opponent’s mark is an EU trade mark I take into account *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, where the Court of Justice of the European Union noted that:

“36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for

the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

20) The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

21) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of

Leno persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use.”

22) The General Court restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (paragraph 57 refers). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings, use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

23) Whether the use shown is sufficient for these purposes will depend on whether there has been real commercial exploitation of the marks, in the course of trade, sufficient to create or maintain a market for the goods at issue in the UK/EU during the relevant 5 year period, which is 2 July 2011 – 1 July 2016. In making the required assessment I am required to consider all relevant factors, including:

- i) The scale and frequency of the use shown
- ii) The nature of the use shown
- iii) The goods and services for which use has been shown
- iv) The nature of those goods/services and the market(s) for them
- v) The geographical extent of the use shown

24) In the instant case the applicant contends that the opponent has not shown use of its mark as all the use shown is in conjunction with “house” marks identifying the winery. The applicant also comments that the opponent’s mark is a “collective mark” and as such the only way of distinguishing the produce of one supplier from another is by use of house marks, as shown in the opponent’s evidence where marks such as *Cecilia Beretta*, *Fatorri* and *Nicolis* appear on the labels and invoices in addition to the opponent’s mark. Further, the applicant points out that the invoices etc. provided by the opponent do not show use of the term VALPOLICELLA RIPASSO *solus*, but includes terms such as VALPOLICELLA RIPASSO SUPERIORE; VALPOLICELLA RIPASSO CLASSICO SUPERIORE; VALPOLICELLA CLASSICO SUPERIORE RIPASSO; VALPOLICELLA CLASSICO SUPERIORE and VALPOLICELLA CLASSICO.

25) When considering this issue I look to the comments of the Court of Justice of the European Union which in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1)”. (emphasis added)

26) I also take into account the comments of Mr Richard Arnold Q.C. (as he then was) as the Appointed Person in *Nirvana Trade Mark*, BL O/262/06, where he summarised the test under s.46(2) of the Act as follows:

"33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

27) Although this cases was decided before the judgment of the Court of Justice of the European Union ("CJEU") in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark. In the instant case, the mark registered is "Valpolicella Ripasso" and the word "Ripasso" has been found by the EUIPO and the General Court to have no meaning in relation to wine (paragraph 11 above). The opponent's mark has been used in association with words such as "classic" and "superiore" which are clearly laudatory. I have no doubt in finding that the opponent has shown use of its mark by third parties with its consent. Albeit, the use has been in conjunction with various other trade marks indicating particular vineyards. I note that it is common practice for bottles of wine to have a number of marks upon the labels.

28) The applicant has referred to the question of the opponent's mark being a "collective mark" and also a Protected Designation of Origin (PDO). However, this status was not achieved until 12 December 2011 and so even if it did mean that the opponent's mark could not be used, in the sense set out in the tests above, then I am fortified by the fact that the evidence provided by the opponent shows use between 2 July 2011 and 11 December 2011 (see exhibit CV4 above).

29) Having determined that the opponent has shown use of its mark I must consider the actual use shown against the opponent's specification, which it is relying upon in this case and devise a fair specification that reflects such use as set out by Mr Geoffrey Hobbs Q.C. as the Appointed Person in

Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited, BL O/345/10, where he summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

30) I note that the opponent is not relying upon the whole of its registered specification but merely the terms “Wine from the Valpolicella region”. The applicant, in its fall-back position regarding the proof of use accepted that if use was shown it should only be upon this specification. It is this specification I shall use in my comparison test.

31) When considering the issue under section 5(2)(b) I take into account the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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

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

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

- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The average consumer and the nature of the purchasing decision

32) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then determine the manner in which these goods and services are likely to be selected by the average consumer in the course of trade. In

Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

33) The goods at issue in these proceedings are all alcoholic beverages of one sort or another. The average consumer for such goods will be the public at large over the age of 18. All of the goods at issue may be sold through a range of channels, including retail premises such as supermarkets and off-licences (where the goods are normally displayed on shelves and are obtained by self-selection) and in public houses (where the goods are displayed on, for example, shelves behind the bar and where the trade marks will appear on dispensers at the bar etc.). When the goods are sold in, for example, public houses the selection process is likely to be an oral one. However, there is nothing to suggest that the goods are sold in such a manner as to preclude a visual inspection. In *Simonds Farsons Cisk plc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-3/04, the Court of First Instance (now the General Court) said:

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

34) Consequently, while the goods may be ordered orally in public houses, it is likely to be in the context of, for example, a visual inspection of the bottles containing the goods prior to the order being placed. Considered overall, the selection process is likely to be predominantly a visual one, although I

accept that aural considerations will also play their part. Turning now to the level of attention the average consumer will display when selecting the goods, given that for the most part the cost of the goods is likely to be relatively low, but bearing in mind that the average consumer will wish to ensure they are selecting the correct type, flavour, strength etc. of beverage, they are, **in my view, likely to pay at least a medium degree of attention to the selection of the goods at issue.**

Comparison of goods

35) In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“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”.

36) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the GC stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

37) The goods to be compared are as follows:

| Applicant's specification | Opponent's specification |
|-------------------------------------|------------------------------------|
| Alcoholic beverages (except beers). | Wine from the Valpolicella region. |

38) Clearly, the applicant's specification would include wine, which in itself would include wine from the Valpolicella region. The applicant's specification would encompass a range of other alcoholic beverages such as whisky, rum, gin etc. In terms of the end user, nature and trade channels they would be highly similar if not identical, and they would be in competition with the opponent's goods.

Overall the goods of the two parties are highly similar.

Distinctive character of the earlier trade mark

39) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

40) The opponent’s mark has no meaning for the goods for which it is registered. It has been claimed that the word “ripasso” refers to a technique of repassing wine over partially dried grape skins. However, there is no evidence that this term is known in the UK, indeed the EUIPO went so far as to suggest it would not be recognised by the majority of the Italian general public (paragraph 11 above). It has also been claimed that the distinctive and dominant element of the opponent’s mark is the word “valpolicella” based on its positioning as the first word. Whilst I accept that the first part of a trade mark generally assumes more importance, I do not accept that either word is the dominant and distinctive element. Neither word would have a meaning for the average UK consumer of wines and nor do the two words in combination form a new meaning. As such both words must be given equal status. The mark is **inherently distinctive to at least a medium degree**. The opponent has shown use of its mark, but not provided any context for the use such as market share in particular countries or even the EU as a whole. It has not provided figures for production or consumption of wine and **so cannot benefit from enhanced distinctiveness**.

Comparison of trade marks

41) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

42) It would be wrong, therefore, artificially to dissect the trade marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by them. The trade marks to be compared are:

| Opponent's trade mark | Applicant's trade mark |
|-------------------------|--|
| VALPOLICELLA RIPASSO |  |

43) The applicant contends that in respect of the opponent's mark the dominant and distinctive element is the word "Valpolicella", with the word "Ripasso" being secondary. The only reasoning behind this claim seems to be the positioning of the words in the mark. The applicant also contends that it has used its mark in the UK for eighteen years without any instances of confusion coming to light. In regard to its own mark the applicant contends that the coat of arms and the word "Zenato" are the distinctive and dominant elements. It is also contended that the term "ripassa" alludes to the technique known as "ripasso".

44) I have determined earlier in this decision that the two words in the opponent's mark have equal status in terms of being distinctive and dominant. I believe the same holds true of the applicant's mark. I find it odd that the applicant contends that in respect of the opponent's mark the first element is the distinctive and dominant element, yet maintains that in its mark the reverse is true. This is based solely on how the mark would appear upon a bottle, but in considering the matter I have to take into account fair and notional use of both marks, so the same criteria must be applied to both marks unless there is clear evidence that the average consumer will treat the marks differently. No such evidence has been filed. There are obvious visual and aural differences between the marks in the form of the words "Valpolicella" and "Zenato" plus device respectively. Equally there is a point of similarity between the words "ripasso" and "ripassa". Only the final letters are different and both letters "o" and "a" are similar in shape and if placed upon a round wine bottle might easily be mistaken for each other. Conceptually both marks would be regarded as having no meaning in relation to any of the goods in question and so would be seen by the average consumer as neutral. **Overall, I believe there is a low to medium degree of similarity in the marks**

Likelihood of confusion

45) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive the trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

46) I also take into account the case of *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, where Mr Iain Purvis Q.C. as the Appointed Person noted that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

47) Earlier in this decision, I concluded that:

- the average consumer for the goods and services is a member of the general public who will select the goods by predominantly visual means, although I do not discount aural

considerations and that they are likely to pay a medium degree of attention to the selection of said goods.

- the marks of the two parties are similar to a low to medium degree.
- the opponent's mark has a medium level of inherent distinctiveness but cannot benefit from an enhanced distinctiveness through use.
- the goods of the two parties are highly similar.

48) In view of all of the above, and allowing for the concept of imperfect recollection there is a likelihood of consumers being confused into believing that the goods sought to be registered and provided by the applicant are those of the opponent or provided by an undertaking linked to it. **The opposition under Section 5(2) (b) therefore succeeds.**

CONCLUSION

49) The opposition succeeds in full.

COSTS

50) As the opponent has been successful it is entitled to a contribution towards its costs.

| | |
|--|---------------|
| Preparing a statement and considering the other side's statement | £300 |
| Expenses | £100 |
| Provision of evidence, considering the other sides' evidence and providing written submissions | £900 |
| TOTAL | £1,300 |

51) I order Cantina Broglie 1 S.R.L. to pay Camera Di Commercio, Artigianato A Agricoltura Di Verona the sum of £1,300. This sum to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 02nd day of November 2017

**George W Salthouse
For the Registrar,
the Comptroller-General**