

O/0020/24

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. UK00003668612
IN THE NAME OF LINDSAY HOOPES
TO REGISTER THE FOLLOWING TRADE MARK:**

NAPAÑAC

IN CLASS 33

**AND IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 428632
BY BUREAU NATIONAL INTERPROFESSIONNEL DU COGNAC**

Background and preliminary remarks

1. On 14 July 2021, Lindsay Hoopes (“the applicant”) applied to register the trade mark (“the contested mark”) shown on the cover page of this decision in the UK claiming a priority date of 29 January 2021 from the USA. The application was published for opposition purposes on 03 September 2021 and seeks registration for *Brandy; Fortified wines; Spirits* in class 33.

2. On 30 November 2021, the application was opposed by Bureau National Interprofessionnel du Cognac (“the opponent”) and Napa Valley Vintners (“Napa Valley”).

3. This case is unusual in that although the opponent and Napa Valley filed two separate oppositions against the contested mark, they are represented by the same legal team. It is also relevant that the two oppositions are practically identical in that they are primarily based on the claim that use of the contested mark NAPAÑAC amounted to an evocation of both the Protected Geographical Indication (“PGI”) COGNAC and the Protected Designation of Origin (“PDO”) NAPA VALLEY for all of the applied-for goods and should be refused in relation to those goods.

4. It is important to stress at the outset that the opponent and Napa Valley lodged their notices of opposition individually and separately in their own names, relying on their trade mark rights as well as on the PGI and PDO designations mentioned above. Neither the opponent nor Napa Valley is a party to the proceedings launched by the other. They did not bring a joint opposition together and did not file a request to intervene in each other’s opposition. Although they made a request for the proceedings to be consolidated and heard together, which was refused, they did so after the evidence rounds had been completed.

5. Nevertheless, the fact that the two oppositions are based primarily on the argument that the contested mark NAPAÑAC evokes both the PGI Cognac and the PDO NAPA VALLEY has resulted in a degree of overlap in the pleadings and submissions made in each case and, at the request of the parties, the two oppositions were heard back-to-back in two separate hearings scheduled over one day, though two separate

decisions will be delivered in respect of the two oppositions (the first one of which is the present decision).

The pleadings

6. The opponent brought the first opposition I have to deal with. This is primarily based on the PGI COGNAC. The opponent claims that registration of the applicant's mark is prohibited by reason of:

- (i) **Articles 21 and 36 of Regulation no. 2019/787** of the European Parliament and of the Council of 17 April 2019 on the definition, description, presentation and labelling of spirit drinks, the use of the names of spirit drinks in the presentation and labelling of other foodstuffs, the protection of geographical indications for spirit drinks, the use of ethyl alcohol and distillates of agricultural origin in alcoholic beverages and repealing Regulation (EC) No 110/2008. This regulation is concerned with the protection of PGIs for spirit drinks;
- (ii) **Article 103 of Regulation no. 1308/2013** of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products. This regulation is concerned with the protection of PDOs and PGIs for wines;
- (iii) **Sections 3(4A), 5(4)(aa) and 3(3) of the Trade Marks Act 1994** ("the Act").

7. The grounds relied upon in support of the opposition also include **Sections 5(2)(b) and 5(3)** of the Act with the opponent relying on the earlier UK certification word mark **Cognac**, filed on 25 March 2019 and registered on 06 December 2019 under number UK00003386514 ("the earlier mark"), designating goods in Class 33 and corresponding to the following description: "*Wine spirits complying with the specification of the Geographical Indication Cognac*".

8. The opponent submitted full and lengthy pleadings relying on the followings:

- The opponent is a trade association which brings the opposition in its own name and as the representative of growers of grapes and producers of wine in the Cognac region of France, and whose functions include the legal defence of the appellation Cognac both in France and abroad;
- Cognac is the preeminent name for brandy in the world, and it is famous for brandy spirits of the highest quality produced in the French districts of Charentes and Charentes Maritime. Cognac is a PGI protected by EU Regulations, and it is also registered as a PGI by the UK Department for Environment, Food & Rural Affairs. Only wine spirits made from grapes harvested, made into wine, distilled, and aged in those French districts may lawfully bear the name Cognac;
- The applicant is the owner or manager of a family business called “Hoopes Family Vineyard and Winery” which produces Napa Valley wines in the USA. An online article dated 4 October 2021 indicates that the applicant is already engaged in the production of brandy. Interviewed in September 2021, the applicant was quoted as indicating that she thought the product would be marketed at the end of 2021. The applicant has also indicated that she is open to using grapes produced by other producers and she intends to permit others to use the contested mark. Quoted in the interview from September 2021, the applicant said *"Cognac is brandy and brandy is made from wine and we had wine, so it was going to be some sort of brandy product"* thereby indicating the clear connection in the applicant's mind between her brandy product and Cognac. Interviewed on 22 January 2021, the applicant was described as reimagining wine into spirits, taking an innovative approach and teaming up with a distillery to distil *"wine into Napa's first "Cognac"*. These public statements indicate that the applicant's mark is intended to be a combination of the words "Napa" and "Cognac" and that the applicant intends to use the mark for brandy produced from Napa Valley grapes or wines;
- The applicant's mark consists of the name 'NAPA' with the addition of the suffix 'NAC', which is intended to be read and pronounced as the last part of the word

Cognac, i.e. 'GNAC'. 'GNAC' is the most characteristic element of the word Cognac and is used in common parlance to mean Cognac;

- The applicant's mark was submitted after Cognac was accorded protection as a PGI. The protection of PGIs under Articles 21 and 36 of Regulation 2019/787 is applicable in this case. Furthermore, Section 3(3) of the Act provides that a mark shall not be registered if it is of such a nature as to deceive the public as to the nature or geographical origin of the goods. The notion of 'evocation' referred to in Article 21(b) of Regulation 2019/787 covers situations where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose designation is protected. The opponent refers to various authorities for the proposition that it is possible for a protected designation to be evoked even where there is no likelihood of confusion between the products concerned and mention the following cases: *C-87/97 Consorzio per la Tutela del Formaggio Gorgonzola v (I) Kaserei Champignon Hofmeister & another [Cambozola]*, *C-75/15, Viiniverla [Verlados for a cider-based product]* and *C-44/17, The Scotch Whisky Association v Michael Klotz; [Glen Buchenbach Swabian Single Malt Whisky]*;
- The effect of the reputation among consumers of the name Cognac protected by the PGI means that the relevant public will associate the contested mark 'NAPAÑAC' on products which are not Napa Valley wines, as being spirits directly connected to Cognac, thereby causing confusion in the same way that the so-called *Elderflower Champagne* was found to confuse under Article 15(5) of Council Regulation (EEC) 823/87 (which was a precursor to Regulation 1308/2013), in *Taittinger S.A. & C.J. V.C. -v-Allbev Ltd* [1993] FSR 641 notwithstanding the additional element 'Elderflower';
- Despite the reference to Cognac in its name, the product which the applicant intends to sell and for which she seeks registration contains no Cognac. Consequently, the applicant exploits the reputation of Cognac by the use of the

applied-for mark leading the public to believe that the geographical origin of the applicant's product is from the Cognac region of France;

- The meaning of the provisions of the Regulation 1308/2013 (which are similar to those of Regulation 2019/787) was considered in the decision BL-O-157-15 in which the opposition brought on behalf of Champagne producers to the mark CLOUD 9 CAVIAR AND CHAMPAGNE COLLECTION in relation to carpet underlay was successful;
- The applicant's use of the contested mark constitutes direct or indirect commercial use of the PDO COGNAC contrary to Article 21(2)(a) of Regulation 2019/787, since 'NAC' is identical to part of that indication, i.e. 'NAC', and 'NAPANAC' is phonetically visually and conceptually similar to COGNAC. Further or alternatively using the name 'NAPANAC' exploits the reputation of the protected name Cognac, as the applicant's products are not Cognac and could not be sold as such. Furthermore, the applicant's use of the mark constitutes evocation or misuse contrary to Article 103(2) of Regulation 1308/2013 since when confronted with the name of the product, the image triggered in the consumer's mind is that of Cognac, the product whose designation is protected;
- On 14 September 2021 the opponent's representatives made observations to the UKIPO on behalf of the opponent and also on behalf of Napa Valley raising objections based upon Sections 3(4) and 3(4)(a) of the Act, EU law Regulation 1308/2013 (as set out above) and Regulation (EC) No. 110/2008 as regards the protection of spirits (Reg 110/2008). In its response dated 1 October 2021, the UKIPO rejected the opponent's objections and made various points including:
 - a) that the mark NAPANAC is not formed solely of a registered PGO or PGI and consideration also should be given to whether the public may link both of these terms together and assume the goods are 'Napa Valley Cognac';

- b) Section 3(4) refers to marks which consist of a name of a registered PGO or PGI and no evidence has been provided to say that NAPAÑAC is entitled to such protection;
- c) A dictionary definition of 'NAPA' refers to a type of leather or a vegetable in East Asia. According to an online dictionary, there are 201 words that also end in the letters NAC such as 'linac' or 'almanac'. The overall impression created by the combination of words is more than the sum of its parts in the context of the applied-for goods and the examiner did not believe that the public would understand them to mean that the goods are Cognac drinks from the Napa Valley.

The opponent contends that the line of argument advanced for the IPO conflicts with the decisions in *Gorgonzola*, *Calvados*, *Glen Buchenbach Whisky* (as cited above) and C-4/10 and C-27/10 *Bureau national interprofessionnel du Cognac v Gust. Ranin Oy [Konjakkī]*. It points out that as it is made clear expressly by the EU courts in those cases, it is sufficient to establish evocation if the later name uses part of the earlier name. The decisions establish that Cambozola takes part of Gorgonzola; Verladados takes part of Calvados, Konjakkī evokes Cognac; and even without specifically taking any part of the name Scotch, Glen Buchenbach evokes Scotch whisky because Glen evokes the idea of Scotch whisky in the mind of the consumer. In the same way, the applicant takes the key part of Cognac by deliberately using the term NAC. NAPAÑAC also takes the key part of NAPA VALLEY. To refer to other words ending in 'NAC' does not determine the point, because the applicant has deliberately chosen to apply for the mark using the tilde symbol ~ thereby emphasising that the applicant wants the mark to refer to 'GNAC' and hence Cognac. NAPAÑAC evokes both NAPA and Cognac;

- Use of the contested mark NAPAÑAC will be misleading because it is impossible for a wine or brandy to comply with the percentage origin requirements and production requirements attached to two different appellations. Consumers may infer that Napa Valley grapes or wines were shipped to Cognac to produce the applicant's brandy (or Cognac grapes were

shipped to Napa Valley), which of course would result in a product where neither NAPA nor Cognac could be used, yet that is exactly what the mark at issue intends to suggest;

- The producers of Cognac have acquired an outstanding recognition and exceptional reputation, reflecting an image of excellence, reliability and quality. If the applicant's mark is registered, it would result in confusion and deception in the minds of the public to the detriment of such producers;
- As it is made clear in the decision in *Konjakki* (cited above), refusal of an application for a mark is mandatory and the competent national authorities must, on the basis of Article 36(1) of Regulation 2019/787, refuse or invalidate the registration of a mark which contains a PGI where the use of that mark would lead to one of the situations referred to in Article 21 thereof. The mark applied for contains the name of a PGI and is applied for products which do not comply with the product specification concerned. Accordingly, registration and use of the mark would be prohibited by Community law and the mark applied for must be refused under Sections 3(4), 5(4)(aa) and 3(3) of the Act;
- Further or in the alternative, the opponent is the registered owner of the certification mark COGNAC for *Wine spirits complying with the specification of the Geographical Indication Cognac* ("the earlier mark") and is the party whose regulations determine what products may be so labelled. The opponent opposes the registration of the applicant's mark on the grounds that it is similar to the earlier mark, and is to be registered for goods identical with or similar to those for which the earlier trade mark is protected, and there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark. In *J Bollinger v Costa Brava Wine Co Ltd* (No 2) [1961] 1 All ER 561 Danckwerts J held "*that the use of the term 'Spanish champagne' in relation to perelada sparkling wine from Spain was likely to mislead people who were not knowledgeable about champagne into thinking that the defendant's wine was champagne*". As Peter Gibson LJ held in the Court of Appeal in *Taittinger v- Allbev* (cited above) "*To this I would add*

the confusion of those who would think that the defendants' product had some association with champagne, if it was not actually champagne." Confronted with a mark consisting of or referring to two different geographical indications, consumers would be confused or potentially confused as to the origin of or constituent grapes or wines in the applicant's product and believe that the applicant's product is made with grapes or wines used to make Cognac, or that the applicant's product is made or bottled in France, or that the product is made by producers of Cognac from grapes or wine grown or made elsewhere than in Cognac. Accordingly, registration and use of the mark must be refused under Section 5(2)(b) of the Act;

- Further or in the alternative, the earlier mark has a reputation in the UK and the use of 'NAPAÑAC' is without due cause and would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark. Accordingly, registration and use of the mark must be refused under Section 5(3) of the Act.

9. The applicant filed a counterstatement in which:

- She admits that Cognac is a PGI pursuant to Article 37 of Regulation (EU) 2019/787 in conjunction with Annex III to Regulation (EC) No 110/2008;
- She admits that Napa Valley is a PDO under the EU Commission's notice published in the Official Journal C106 on 10 May 2007;
- She denies that the application violates either the protection afforded to the PGI under Articles 21 and 36 of Regulation (EU) 2019/787, or the protection afforded to the PDO under Articles 102 and 103(2) of Regulation 1308/2013;
- She denies that the contested mark is of such nature as to deceive the public as to the nature or geographical origin of the goods pursuant to Section 3(3) of the Act. The Applicant does not claim, either directly or indirectly, that the goods for which registration is sought, originate from the Cognac region of France;

- She denies that the contested mark would trigger the image of Cognac and that there is evocation of the PGI;
- She denies that the average consumer will associate 'NAPAÑAC' as being spirits directly connected to Cognac;
- She agrees with the examiner's reasons set out in the letter of 1 October 2021;
- She requests that the opposition based on Sections 3(4A) and 5(4)(aa) of the Act in conjunction with Regulation (EU) 2019/787 and Regulation (EU) No 1308/2013 is rejected;
- She denies that the contested mark is visually, phonetically or conceptually similar to the earlier mark, that the competing goods are similar and that there is a likelihood of confusion and requests that the opposition based on Section 5(2) of the Act is rejected;
- She puts the opponent to proof of the alleged reputation of the term Cognac and denied that the contested mark would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier mark Cognac and request that the opposition based on Section 5(3) of the Act is rejected;
- She denies that the applicant intends to cause confusion for consumers in the UK and states that the applicant strongly believes that such confusion would not exist due to the clear differences between the contested mark on one side and the PGI, the PDO and the earlier mark on the other.

10. Unusually in this case, as part of its evidence, the opponent filed a copy of a response to a 'notice to admit facts' dated 26 May 2022 signed by Pinsent Masons LLP on behalf of the applicant in relation to the present opposition. The document was served in response to a formal notice to admit certain facts – which was sent by the opponent to the applicant on 9 May 2022 - and contains the following admissions that are relevant to the present opposition:

- The applicant admits that "Cognac" has a reputation in the UK with average consumers as a brandy from the Cognac region in Western France. However, the applicant puts the opponent to strict proof as to the nature and extent of that reputation given that the applicant avers that the said reputation is for the mark "Cognac" as a whole and not parts thereof. The applicant denies that the average consumer will attribute quality to all brandies from the Cognac region in Western France. If and to the extent the opponent asserts reputation in, or confusion arising from the use of the suffix "nac", the applicant avers that "Cognac" is not the only brandy including the suffix "nac". For example, average consumers in the UK will be familiar with "Armagnac" which is a brandy produced in the Armagnac region in Gascony, Southwest France. There are further distilled products from regions ending with the suffix "nac", as Lourignac, Salignac, Sargargnac, Carifornagnaac, Louis D'Armagnac and Gavernac. Accordingly, it is denied that the opponent has exclusive rights in the suffix "nac";
- The applicant admits that "Napa Valley" has a reputation with average consumers in the UK for wines originating from the Napa Valley in California. However, the applicant put the opponent to proof as to the nature and extent of that reputation and in particular whether it is averred that the reputation in "Napa Valley" extends to products generally which are lawfully produced in Napa County and/or Napa City. The applicant avers that the said reputation is for the mark "Napa Valley" as a whole and not parts thereof. The applicant denied that the average consumer will attribute high quality to all wines from the Napa Valley. It also argues that the opponent's claims are untenable because they would prevent use of the prefix NAPA by any party geographically located in Napa County and/or Napa City and that third parties have successfully registered trade marks containing "NAPA" in the UK, for example Napanook (UK00003283259 and UK00901103274) and NAPA VISTA. Accordingly, the applicant denied that the opponent has exclusive rights in the prefix "Napa";

- The applicant admits that the applicant is the CEO of Hoopes Vineyard, the producer of Hoopes Napa Valley wines which are sold in the UK;
- The applicant admits that the applicant is engaged in the production of brandy 100% made from grapes grown in Napa Valley and that such grapes include grapes which may have been damaged or tainted by smoke;
- The applicant avers that using grapes which may have been damaged or tainted by smoke for the production of brandy is an innovative way of avoiding such grapes to go to waste. Wineries situated in the Napa Valley, California, are affected by wildfires. Where affected by fires, vines are incinerated, and remaining grapes are covered in soot. This fruit cannot be used for making wine, and hence using grapes which may have been damaged or tainted by smoke for the production of brandy offers an alternative that may help to ensure the financial stability of wineries in the Napa Valley.

Representation and evidence

11. The applicant is represented by Pinsent Masons LLP and the opponent is represented by Lee Bolton Monier-Williams LLP. Both parties filed evidence-in-chief, with the opponent also filing evidence in reply.

12. The opponent initially filed five witness statements from the following:

- Raphaël Delpech, the Director General of the opponent;
- Dawn Davies MW, the Head Buyer at the distribution company Speciality Drinks;
- Augustin Depardon, the Managing Director of Remy Cointreau UK Distribution Limited;
- Michael Christopher Anderson, a solicitor employed by the firm representing the opponent in these proceedings;
- Magali Füss, a translator.

13. The applicant filed six witness statements from the following:

- Lindsay Hoopes, i.e. the applicant herself;
- James Bruton, the Chief Marketing Officer at DARCO Spirits;
- J. Smoke Wallin, the Managing Director & Partner at STS Capital Partners;
- Tim Gaiser, a member of the Court of Master Sommeliers, Americas;
- Désirée Vasantha Fields, the Legal Director at the firm representing the applicant in these proceedings;
- Florian Peter Traub, a partner at the firm representing the applicant in these proceedings.

14. In response to the applicant's evidence, the opponent filed a further witness statement from Michael Christopher Anderson.

15. I have read all the evidence in this case, and I will refer to it as and when necessary, in coming to my decision.

16. A hearing took place before me on 14 June 2023, by video conference. The applicant was represented by Florian Traub of Pinsent Masons LLP. The opponent was represented by Denise McFarland instructed Lee Bolton Monier-Williams LLP.

17. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

DECISION

Sections 3(4A) and 5(4)(aa) of the Act read in conjunction with Articles 21 and 36 of Regulation no. 2019/787 and Article 103 of Regulation no.1308/2013.

The legislative framework

18. Sections 3(4A) and 5(4)(aa) of the Act provide that marks will not be registered if their use is prohibited by any enactment or provision protecting PDOs and PGIs.

19. Section 3(4A) reads as follows:

“3(4A) A trade mark is not to be registered if its registration is prohibited by or under—

(a) any enactment or rule of law,

(b) [...]

(c) any international agreement to which the United Kingdom is a party, providing for the protection of designations of origin or geographical indications”

20. Section 5(4)(aa) reads as follows:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented —

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met, [...]

(aa) by virtue of any enactment or rule of law, providing for protection of designations of origin or geographical indications, where the condition in subsection (4B) is met, or

(b) [...]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.

(4A) [...]

(4B) The condition mentioned in subsection 4(aa) is that—

(a) an application for a designation of origin or a geographical indication has been submitted prior to the date of application for registration of the trade mark or the date of the priority claimed for that application, and

(b) the designation of origin or (as the case may be) geographical indication is subsequently registered.”

21. The relevant enactment or rule of law, providing for protection of designations of origin or geographical indications are Regulation no. 2019/787 and Regulation 1308/2013.

Regulation no. 2019/787

22. The opponent relies on Articles 21 and 36 of Regulation no. 2019/787 on GIs for spirit drinks as amended and applied by SI 2020/1637¹ which govern the relationship between GIs and trade marks and provide as follows:

“Article 21

Protection of geographical indications

1. Geographical indications protected under this Regulation may be used by any operator marketing a spirit drink produced in conformity with the corresponding product specification.

2. Geographical indications protected under this Regulation shall be protected against:

¹ SI 2020/1637 has amended and re-applied the EU regulations to the post Brexit position

(a) any direct or indirect commercial use of a registered name in respect of products not covered by the registration where those products are comparable to the products registered under that name or where using the name exploits the reputation of the protected name, including where those products are used as an ingredient;

(b) any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such as 'style', 'type', 'method', 'as produced in', 'imitation', 'flavour', 'like' or similar, including when those products are used as an ingredient;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product in the description, presentation or labelling of the product liable to convey a false impression as to the origin of the product;

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

3. Geographical indications protected under this Regulation shall not become generic in Great Britain.

4. The protection referred to in paragraph 2 shall also apply with regard to goods entering Great Britain without being released for free circulation there”.

“Article 36

Relationship between trade marks and geographical indications

1. The registration of a trade mark the use of which corresponds or would correspond to one or more of the situations referred to in Article 21(2) shall be refused or invalidated.

2. A trade mark the use of which corresponds to one or more of the situations referred to in Article 21(2), which has been applied for, registered, or

established by use, in good faith within the territory of the United Kingdom, before the date on which the application for protection of the geographical indication was submitted to the Secretary of State, may continue to be used and renewed notwithstanding the registration of a geographical indication, provided that no grounds for its invalidity or revocation exist in, or under, the Trade Marks Act 1994.”

Regulation no.1308/2013

23. The opponent also relies on Article 103 of Regulation no.1308/2013 on PDOs and PGIs for wines which is as follows:

“Article 103 **Protection**

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

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

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

- (i) by comparable products not complying with the product specification of the protected name; or
- (ii) in so far as such use exploits the reputation of a designation of origin or a geographical indication;

(b) any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is translated, transcribed or

transliterated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation", "flavour", "like" or similar;

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

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

3. Protected designations of origin and protected geographical indications shall not become generic in the Great Britain within the meaning of Article 101(1)."

24. Article 102 of Regulation no.1308/2013 is also relevant. It reads:

“Article 102

Relationship with trade marks

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

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

(b) invalidated.

2. Without prejudice to Article 101(2), a trade mark referred to in paragraph 1 of this Article which has been applied for, registered or established by use in good faith, if that possibility is provided for by the law concerned, in the territory of Great Britain either before the date of protection of the designation of origin or geographical indication in the country of origin, or before 1 January 1996, may continue to be used and renewed notwithstanding the protection of a designation of origin or geographical indication, provided that no grounds for the trade mark's invalidity or revocation exist under the Trade Marks Act 1994.

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

25. The applicant does not dispute that Cognac is a PGI. On the contrary, it expressly admits that Cognac is a PGI pursuant to Article 37 of Regulation 2019/787 which states:

“Article 37

Established geographical indications

Established geographical indications shall automatically be protected as geographical indications under this Regulation. The Secretary of State shall list them in the register referred to in Article 33 of this Regulation and the registration takes effect on IP completion day.”

26. Article 33 of Regulation 2019/787 states:

Article 33

Register of geographical indications of spirit drinks

1. The Secretary of State must establish and maintain a publicly accessible electronic register, which is kept up to date, of geographical indications of spirit drinks recognised under this scheme (‘the register’).

2. The name of a geographical indication shall be registered in its original script. Where the original script is not in Latin characters, a transcription or transliteration in Latin characters shall be registered together with the name in its original script.

For geographical indications registered under this Chapter, the register shall contain a copy of the single document and product specification for each geographical indication.

For geographical indications registered before 8 June 2019, the register shall provide direct access to the main specifications of the technical file as set out in Article 17(4) of Regulation (EC) No 110/2008.

The Secretary of State may make regulations laying down further detailed rules on the form and content of the register.

3. Geographical indications of spirit drinks produced in third countries that are protected in Great Britain pursuant to an international agreement to which the United Kingdom is a contracting party may be entered in the register as geographical indications.

The entry in the register is to be treated as taking effect:

(a) in a case where the register is established by the Secretary of State after IP completion day but before the end of the day following the day on which IP completion day falls and the entry is in the register as established during that period, on IP completion day;

(b) in any other case, immediately the entry is entered in the register.”

27. The explanatory memorandum to the Agricultural Products, Food and Drink (Amendment etc.) (EU Exit) Regulations 2020 (SI 2020/1637) very helpfully explains that the statutory instrument amends retained EU legislation to introduce a comprehensive regulatory framework for Geographical Indication (GI) schemes in the

UK after Brexit, i.e. after 31 December 2020. So far as relevant, it provides as follows (emphasis added):

“2. Purpose of the instrument

2.1 Primarily, this instrument will amend retained EU legislation to introduce a comprehensive regulatory framework for Geographical Indication (GI) schemes in the UK. This instrument also makes operability amendments for wines and spirits sector standards (non-GI).

2.2 On GI schemes, this instrument corrects the retained EU Regulations that will form the legal basis for three of four schemes in Great Britain (GB) at the end of the transition period, plus amendments needed for operation of the wine GI scheme. This includes providing continued protection in GB of established UK GIs, and non-UK GIs recognised under the EU GI schemes on 31 December 2020.

[...]

What are Geographical Indications?

2.4 GIs are a form of intellectual property protection for the names of food, drink and agricultural products with qualities or characteristics which are attributable to the place they are produced and/or the traditional methods by which they are made. UK examples include: Scotch Whisky, English and Welsh Wine, Welsh Lamb and Lough Neagh Eels. Having GI status gives assurance to consumers that products are genuine and enables producers to better promote and market their products.

2.5 GI scheme award designations are Protected Designations of Origin (PDO), Protected Geographical Indications (PGI) and Traditional Speciality Guaranteed (TSG). The PGI designation means that some elements of production and/or raw materials can take place outside the defined geographical area, whilst a PDO designation requires all aspects of production,

including sourcing materials, to take place within the defined geographical area. The TSG designation is for a product made to a traditional recipe or method, but it does not have to be made in a specific area. There are four GI schemes; agricultural products and foodstuffs (agri-food), spirit drinks, wines and aromatised wines.

[...]

GI schemes

7.1 The primary function of this instrument is to provide the domestic framework for all four GI schemes, as necessary for their administration and enforcement. It does this through amending the retained EU GI regulations providing the legal basis for the agri-foods, spirit drinks and aromatised wine schemes, and by amending delegated and implementing retained EU wine regulations necessary for the scheme to effectively operate. Taken together with other EU Exit legislation relating to wine GIs (see section 6.4) this will enable the UK to meet its international WTO TRIPS agreement obligations.

7.2 The amendments made by this instrument, combined with the other instruments in section 6.4 and the associated domestic regulations needed to enforce them, will create working UK GI schemes. They will protect the 88 UK geographical and traditional names that are registered under the EU schemes (of which protection of the 78 UK agri-food GIs and 5 UK spirit drinks GIs is provided by this instrument). The amendments will also ensure that non-UK GIs, where successful applications have been made under the EU GI schemes and they are protected under those schemes on the last day of the transition period, continued to be protected in GB.

7.3 The scheme amendments made by this instrument are mostly changes to make sure the existing GI rules continue to work as UK GI schemes and there is minimal disruption to stakeholders. Under the new schemes, the Secretary of State will decide whether to grant new GI applications instead of the

European Commission and will also decide on applications for GI amendments and cancellations.”

The opponent’s pleadings and the claim that the contested mark is a hybrid mark. Is the opponent relying on the PDO ‘NAPA VALLEY’ and can it do that?

28. I have accessed the UK GI scheme registers at <https://www.gov.uk/protected-food-drink-names>.² This constitute essentially the PDOs and PGIs Register established and maintained by the Secretary of State under Articles 33 and 37 of Regulation no. 2019/787 (set out above). As it can be seen below, it lists Cognac as a registered GI and Protected spirit drink name with the following details being registered:

Registered name: Eau-de-vie de Cognac/Eau-de-vie des Charentes/ Cognac
Register: Spirit drinks
Status: Registered
Class or category of product: 4. Wine spirit
Protection type: Geographical Indication (GI)
Country of origin: France
Date of registration (UK scheme): 31 December 2020
Date of original registration with the EU: 12 June 1989
Reason for protection: EU agreement

29. The rules and procedures for GIs are laid down in four sector-specific EU regulations: GIs for agricultural products and foodstuffs (Regulation 1151/2012), GIs for wines (Regulation 1308/2013), GIs for spirit drinks (Regulation 2019/787) and GIs for aromatised wine products (Regulation 251/2014).

30. Since the PGI Cognac is a spirit drink, the relevant provisions are contained in Regulation 2019/787; whereas since the PDO Napa Valley identifies a wine product, the relevant provisions are contained in Regulation 1308/2013.

² MCA1

31. In its statement of grounds, the opponent relies on both Regulation no. 2019/787 (insofar as it claims that the 'ÑAC' part of the contested mark NAPAÑAC evokes the PGI Cognac) and Regulation no.1308/2013. Admittedly, the reference to Article 103 of Regulation no.1308/2013 is a bit muddled in the pleadings (in the sense that, at times, it seems to refer to the spirit drink PGI Cognac rather than to the wine PDO Napa Valley), but the reasoning is clearly that the NAPA- part of the contested mark NAPAÑAC evokes the wine PDO NAPA VALLEY' and that the public may assume that the goods are Napa Valley Cognac. In its statement of grounds the opponent, in fact, concludes:

“This is an exceptional case in that the use of the mark would be doubly unlawful under EU law, under Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 as regards the protection of wines; and Regulation (EU) 2019/787 of the European Parliament and of the Council of 17 April 2019 regarding the protection of spirits.

And under the Trade Marks Act 1994

The mark applied for appears to have been chosen to trade on the goodwill attaching to the names NAPA VALLEY and COGNAC and its use is likely to cause confusion for consumers as stated above. Accordingly, the Applicant's use of the mark cannot be regarded as being in accordance with honest practices in industrial or commercial matters.”

32. In his skeleton argument, Mr Traub argued that the opponent has no standing to invoke the PDO NAPA VALLEY in this opposition because the opponent has no right to use the designation although he did not develop the argument at any length. However, in the course of the hearing he added:

“[...] the opponent in this case (Cognac) has no standing and no right to plead any infringement of the Napa Valley protected designation. It is not pleaded, it is not in the notice of opposition and frankly they would not also be entitled to do so. They are not here as joint opponents, so it was quite right of the Tribunal

to separate the two hearings, obviously this morning Cognac and this evening Napa Valley.

That really deals with the hybrid argument already because for the purpose of this opposition you are not looking at the hybrid argument Napa Valley and Cognac, you are looking solely at the question whether NAPAÑAC is an infringement of the PGI COGNAC or an infringement of the registered certification mark on which the Opponent relies, and that is where the test should end. The hybrid argument is therefore a nonstarter, in my submission.”

33. Ms McFarland replied by saying that the opponent’s case was clear from the outset and referred to the relevant parts of the statement of grounds which mention the PDO NAPA VALLEY, including (i) paragraph 4: *"The mark applied for self-evidently consists of the primary element of the name Napa Valley and the suffix 'ñac', which apart from the obvious written similarity is clearly intended by the Applicant, using the tilde symbol to be read and pronounced as if it was the greater part of the name COGNAC, 'ñac'"* and (ii) paragraph 6: *"The mark applied for consists of nothing more than two distinctive and internationally known signs NAPA and COGNAC".*

34. McFarland also relied on the pleadings (and the evidence) including a reference to the applicant’s ulterior motive in choosing the mark NAPAÑAC to denote *"Napa’s first Cognac"*. Finally, she summarised the opponent’s case by saying that the contested mark is a hybrid mark which incorporates two reputed indicators of origin.

35. Admittedly, the official letter of 7 March 2022 rejecting the opponent’s request for the present opposition to be consolidated and/or heard together with that brought by Napa Valley, stated:

"Although it is noted that the mark which is opposed in both proceedings is the same, and that in both oppositions you are the legal representative for the opponent, the opponents in each opposition are different unrelated entities (namely Napa Valley Vintners (NVV) and Bureau National Interprofessionnel du Cognac (BNIC), and so are the rights relied upon in each opposition (one being a registration for the mark COGNAC and one being a registration for the mark

NAPA VALLEY which are a PGI and PDO respectively); this also means that the evidence filed by the opponent in each opposition is different. Further, although in both cases you have argued that the applicant's intention in applying for the mark NAPAÑAC is to make an association with the Napa Valley region and the brandy spirit Cognac, in each opposition the opponent can only rely on its own right (i.e. Bureau National Interprofessionnel du Cognac (BNIC) can rely on its COGNAC trade mark and Napa Valley Vintners (NVV) can rely only on its Napa Valley Vintners trade mark).

Finally, hearing the matter together would make the task of the hearing too onerous for all the parties involved as effectively, both parties would have to address the different evidence and grounds in relation to each case, because the matter must be assessed in each case only from the perspective of the right the opponent is entitled to protect, not on the right the other opponent relies upon in the other opposition, with the fact that you are representing both parties (which are unconnected) being irrelevant for the purpose of the proceedings. Hence the proceedings will be heard separately”.

36. Firstly, whilst the letter recognises that the matter must be assessed in each case only from the perspective of the rights the opponent is entitled to protect, the reasoning focus on trade mark rights, and consequently on the claims based on Sections 5(2)(b) and 5(3). Secondly, the official letter was sent in response to the opponent's request to consolidate the cases or hear them together, request which was made after the evidence rounds had been completed. Thirdly, the point about whether the opponent in this case is entitled to rely on the PDO NAPA VALLEY (in light of the pleadings and the relevant provisions) under any legislative provisions was not specifically raised or brought to the Tribunal's attention. It is not surprising, therefore, that the Tribunal did not give full consideration to the issue of the pleadings. Finally, Mr Traub did not argue that the letter of 7 March 2022 gave a preliminary view that the opponent is prevented from bringing a claim based on the PDO Napa Valley and I do not consider that the refusal to consolidate the proceedings or hear them together for the reasons stated in the letter, prevents me from considering the issue now.

37. I now turn to the pleadings.

38. Whilst Ms McFarland conceded that Article 21 of Regulation no. 2019/787 is most relevant to the Cognac opposition, Article 103 of Regulation no.1308/2013 might still be relevant for present purposes because:

- (a) part of the opponent's case is that the first portion of the contested mark NAPA evokes the wine PDO NAPA VALLEY and Article 103 of Regulation no.1308/2013 lays down the rules on GIs for wines;
- (b) whilst the opponent cannot rely on the PDO NAPA VALLEY to oppose the contested mark on relative grounds (because it is not the proprietor of an earlier trade mark incorporating the name NAPA VALLEY and it does not have the right to use the PDO NAPA VALLEY), the opponent is nonetheless capable of bringing an opposition based on absolute grounds under Section 3(4A) because *"Section 3(4A) makes it clear that any restriction on registering a trade mark found in Regulation No 1308/2013 is an absolute ground of refusal"*,³
- (c) the opponent's pleadings include references to the PDO NAPA VALLEY, to Article 103 of Regulation no.1308/2013 and to Section 3(4A) of the Act;
- (d) the argument about the contested mark being a hybrid mark is sufficiently particularised and the opponent has pleaded sufficient facts in support of its case.

39. Consequently, I conclude that the opponent's claim that the PDO NAPA VALLEY would make the use of the contested mark NAPAÑAC unlawful under Article 103(2) of Regulation No 1308/2013 is a proper objection under Section 3(4A) of the Act and that, being it an objection based on an absolute ground for refusal (which can be relied upon by anyone), the opponent is entitled to argue the point (and did so in the pleadings) even if it has no right to use the PDO NAPA VALLEY in relation to wines.

³ EMILIANA TRADE MARK BL O/054/22

Bases of the assessment: Section 3(4A) and Section 5(4)(aa) of the Act

40. Section 3(4A) of the Act is an absolute ground for refusal. It prohibits registration of a trade mark in the UK if, or to the extent that, its use would be contrary to any enactment or rule of law, or international agreement to which the UK is a party, providing for the protection of designations of origin or geographical indications. The relevant enactments relied on by the opponent as prohibiting the use of the applied-for mark are Regulation no. 2019/787 and Regulation no.1308/2013 which provide for the protection of PDOs and PDIs for spirits and wines, respectively.

41. Since anyone can oppose an application on absolute grounds, the opponent can rely on Section 3(4A) to claim that use of the contested mark would be prohibited by Article 103 of Regulation no.1308/2013 insofar as it evokes the PDO NAPA VALLEY, even if it has no right to use it. It follows that the opponent can also rely on Section 3(4A) to claim that use of the contested mark would be prohibited by Regulation no. 2019/787 insofar as it evokes the PGI Cognac, regardless of whether it has any right to use the PGI Cognac or not. This is subject, indeed, to the PGI or PGO being validly registered.

42. Earlier at [29] I found that Cognac is a registered GI and Protected spirit drink name that was protected in the EU since 1989 and continued to be protected in the UK under the post-Brexit UK GI schemes at the filing date of the contested mark, namely on 14th July 2021.

43. Turning to the PDO NAPA VALLEY, the applicant admitted in its counterstatement that NAPA VALLEY is a PDO under the EU Commission's notice published in the Official Journal C106 on 10 May 2007. The UK GI scheme register at <https://www.gov.uk/protected-food-drink-names>, also lists NAPA VALLEY as a Protected wine name with Protected Designation of Origin (PDO) with the following details being registered:

Registered name: Napa Valley
Register: Wines
Status: Registered
Class or category of product: Wine
Protection type: Protected Designation of Origin (PDO)
Country of origin: United States
Date of registration (UK scheme): 10 March 2021
Date of original registration with the EU: 10 May 2007
Reason for protection: EU agreement

44. Article 102 of Regulation no.1308/2013 requires that in order to be a ground for refusal of a trade mark which falls under Article 103(2), the PGI or PDO must be registered with a filing date that is earlier than the contested mark, which is the case here. Further, the explanatory memorandum to the Agricultural Products, Food and Drink (Amendment etc.) (EU Exit) Regulations 2020 (SI 2020/1637), explains that the purpose of each of the UK GI scheme register is to continue to protect GIs that were already protected under the EU GI schemes after Brexit.

45. Accordingly, I find that Section 3(4A) of the Act being an absolute ground for refusal, the opponent can rely on both the PGI Cognac and the PDO NAPA VALLEY (which are validly protected in the UK) and that the opponent's argument about the contested mark being a hybrid mark is sufficiently particularised to support these pleadings.

46. As regards the opponent's reference to Section 5(4)(aa) of the Act, I note that the opponent did not expand upon it in the pleadings, but, in her skeleton argument, Ms McFarlan appears to equate it to an action for passing off inviting me to apply the relevant principle. Accordingly, I will leave this ground to one side for the moment, and I will return to it if necessary.

Section 3(4A): The requirement of reputation

47. In *EMILIANA TRADE MARK*, BL-O-54/22, Professor Phillip Johnson, sitting as the Appointed Person, clarified that reputation of a PGI is not a necessary pre-condition

for its protection but it is relevant to establish the likelihood of evocation. He stated (emphasis added):

“Requirement to reputation

63. The Appellants’ challenge to the Hearing Officer’s finding that the absence of a strong reputation or familiarity of the PGI in minds of the UK public is material to assessing whether it might be evoked by the average consumer (Decision, [66]). Ms Reid submits that it is entirely wrong to consider the reputation of the PGI when assessing evocation.

64. The Hearing Officer’s reasons for including reputation were set out in Decision, [64]:

Whilst accepting that reputation is not a stipulated requirement of Article 103(2)(b) it is still a matter to be taken into account in my assessment, given that, in my view, there is a direct correlation between how well known the PGI is to the UK consumer and whether it will be evoked or not. If the PGI has a high reputation in the UK then this increases the likelihood of a similar sign evoking the PGI. Otherwise its degree of protection must be determined on a notional assessment of the likelihood of evocation etc. based on the degree of similarity between the PGI and the mark and the identity/similarity of the goods.

65. It is apparent that Regulation No 1308/2013 is intended to protect the reputation built up by the relevant PGIs (see Recital (97) and C-490/19 *Syndicat interprofessionnel de défense du fromage Morbier*, EU:C:2020:1043, [35] and the cases cited therein).

66. It is also clearly the case that when assessing whether there is a link for the purposes of section 5(3) of the Trade Marks Act 1994 the extent of the reputation is material: C252/07 *Intel v CPM* [2008] ECR I-8823, [53]. The courts have expressly acknowledged that the image transfer that occurs with dilution

is more likely to occur when the mark has a stronger reputation. Logically this too would apply to the evocation of geographical indications.

67. However, Ms Reid points to T-510/15 *Mengozzi*, EU:T:2017:54 where it was argued that the PGI at issue was not “well known” and so the average consumer would not confuse the PGI and the mark and so in turn it would not evoke the relevant PGI. The General Court rejected this succinctly:

As for the applicant’s argument that the PGI at issue is not well known, and assuming that such an argument would be admissible before the Court, it is irrelevant since, as EUIPO states in its pleadings, the reputation of a PGI is not a condition for its protection.

68. I do not take this to mean that the reputation of a geographical indication is entirely irrelevant for assessing evocation; rather, I take it to mean that it is not possible to argue there would be no evocation simply because an indication has no reputation.

69. The purpose of Article 103(2) is to protect reputation and so it would be odd if the extent of that reputation is entirely immaterial to assessments under it (whether it is expressly mentioned in the relevant paragraph of that provision or not). Furthermore, as a matter of fact, it is clear that an incredibly well-known indication (such as say Champagne) is likely to be evoked in a wider range of situations than one that is less well-known simply because the word is so familiar to the general public.

70. Therefore, I agree with the Hearing Officer, it would be wrong for the law to turn its back on the factual reality and adopt a notional assessment. Critically, and what I think *Mengozzi* tells us, is that reputation can increase the likelihood of evocation when confronted with a similar mark, but as already mentioned the converse is not true and it is not possible to argue that an indication with no reputation can never be evoked.

71. Accordingly, I think it was perfectly acceptable for the Hearing Officer to give some weight to the reputation of EMILIA when assessing evocation. It is true that the Hearing Officer gives a lot of weight to reputation (see Decision, [66]) but it is clear that it was only one of the factors she used to decide the PGI would not be evoked. The relevant weight to give to each factor is a value judgment and her assessment is not wrong on its face and so I do not think an appellate tribunal should interfere with it.

72. Finally, Ms Reid suggests that in the absence of reputation the Hearing Officer indicated that she should undertake a “notional” assessment (see Decision, [64] set out above). My reading of the passage is that a notional assessment is inappropriate, and actual reputation should be considered. Therefore, I do not consider this point to need further consideration.

73. Accordingly, I agree with the Hearing Officer that the use of EMILIA would not evoke EMILIANA. I therefore dismiss the Appellants’ appeal based on Article 103(2) (whether it is under section 3(4) or under section 3(4A) of the 1994 Act).”

48. It follows that the established reputation of a PDO or PGI is relevant to a claim under Section 3(4A) based partly on evocation.

The reputation of the PGI COGNAC

49. The opponent filed evidence aimed at establishing the reputation of the PGI Cognac. In its skeleton argument Mr Traub conceded that the PGI Cognac has a reputation, leaving it to me to determine “*the extent of the use and reputation of Cognac*”. In particular, in the course of his oral submissions, he seemed to refer to admissions made in the response to notice of admitted facts. He stated:

“So just addressing one point, the fact that COGNAC has a reputation in the UK has been admitted even before the hearing so that is no longer in dispute.”

I think where the parties disagree is just the question what that actually means. What does the reputation of COGNAC mean for the purpose of this opposition? In our submission, even if the mark had the greatest amount of reputation it still would not cause an infringement if there is not any similarity between the terms we look at or the signs we look at because that is an independent requirement for the establishment [of] infringement of the PGI or the trade mark and hence the reputation as such can be pleaded, can be accepted but it is not determinative for the outcome of this opposition”.

50. Given the concession made by the applicant that both the PGI Cognac and the PDO NAPA VALLEY benefit from reputation in the UK, there is no need to examine the evidence in detail. I will only highlight the main points in order to assess the strength of the reputation which, as Professor Johnson observed in *EMILIANA*, may affect the scope of protection to which the PGI Cognac and the PDO NAPA VALLEY are entitled.

The reputation of the PGI Cognac

51. I will set the scene briefly, so far as the background facts are concerned. The first part of Mr Delpech’s evidence repeats the claims made in the statement of grounds about Cognac being a pre-eminent name for brandy in the world, famous for wine spirits of the highest quality. Mr Delpech states that Cognac has a long and distinguished history and forms part of the collective property and cultural inheritance of the producers from the Cognac area in France. He explains that the GI Cognac represents to consumers that a product bearing the Cognac GI comes from a defined region of France and complies with the Cognac product specifications. This guarantees that these products have a constant set of characteristics in common which are distinctive of that product. The opponent is the certifying authority for the use of the PGI Cognac, as the official body, approved by French laws, that has the powers to inspect the production of the product (from the production of the grapes to the distillation and storage of the spirit), carry out controls, verify labelling, and make analyses for quality control.

52. Cognac has been sold in the UK since at least the 19th century if not before. The entry “*A French brandy distilled from Cognac wine*” for Cognac in the Shorter Oxford English Dictionary dates from 1687. Shipments of Cognac to the UK since 1993 have exceeded 22 thousand hectolitres annually and in the last three years, shipments have exceeded 7 million bottles a year, with those for the year ending October 2021 exceeding 8 million bottles. The retail value of Cognac sales in UK in the period 2017-2021 is as follows: €270million (in 2021), €258million (in 2020), €267million (in 2019), €289million (in 2018) and €274million (in 2017) for a total of nearly €1,4billion worth of goods being sold in the UK in the five-year period preceding 2022.

53. The opponent promotes Cognac in the UK, working with press agencies, and has an annual dedicated budget which amounts to approximately 60,000 Euros. Each year, the opponent participates in a number of well-known fairs and events such as the COGNAC SHOW and the LONDON COGNAC SUMMIT and provides training to professionals of the field such as bartenders or sommeliers through masterclasses. Some become Cognac Educators (ambassadors of Cognac) through various tests and examinations set by the opponent and become involved in the training of other professionals, influencers or journalists. The opponent publishes newsletters for UK professionals in the field of wine and has been the source of press releases in the UK with more than 1,000 items being published in the press since 2012.

54. Cognac has been sold in all the UK major supermarkets including Sainsbury’s (since at least 1980), Asda, Waitrose, Costco, Morrison, Aldi and the Co-op. Cognac is so well known to the average UK consumer that the 2 largest UK supermarkets, Tesco and Sainsbury’s, have their own brand of Cognac.

55. The evidence also includes copies of articles corroborating the conclusion that the PGI Cognac enjoys an exceptionally strong reputation in the UK. I am therefore satisfied that the designation Cognac is well-known to UK general public.

56. Other evidence, which is also relevant, goes to the fact that COGNAC is sold under different brand names, including Hennessy, Remy Martin and Martell. I also note Mr Depardon’s evidence which states:

“I have been asked whether consumers will attribute quality to every Cognac which is produced in the Cognac area. Cognac is synonymous with prestige and quality worldwide. You can travel to any country in the world and find Cognac associated with heritage, quality and prestige. There is confusion among some consumers of the difference between brandy and Cognac. But Cognac must be made in the Cognac region by the specified process and if a product is made outside the region or not by the specified process it is brandy and cannot be called Cognac. As a result, consumers do distinguish Cognac from brandies. Every Cognac is of quality and I am not aware of any poor quality Cognacs.

Cognac is nothing to do with Armagnac. Cognac is internationally known, supported by strong brands anywhere. If you ask the consumer to name four brands of Cognac they will name at least three but if you ask them to name four brands of Armagnac, they will not be able to do so because there are no brands of Armagnac widely known. Armagnac is to a large extent a proper French spirit but its international footprint is limited.”

57. This evidence would point to the conclusion that the designation 'cognac' is used in the product labelling to describe a category of brandy or a spirit. The designation being a PGI, it indicates that the product originates from and is named after the region of Cognac in France and offers a guarantee of quality due to its geographical provenance.

58. Article 35 of Regulation no. 2019/787 states:

“Specific grounds for refusal of protection

1. A generic name shall not be protected as a geographical indication.

To establish whether or not a name has become a generic name, account shall be taken of all relevant factors, in particular:

- (a) the existing situation in Great Britain, in particular in areas of consumption;
- (b) the relevant legislation.

2. A name shall not be protected as a geographical indication where, in the light of a trade mark's reputation and renown, protection could mislead the consumer as to the true identity of the spirit drink.

3. A name shall only be protected as a geographical indication if the production steps which give the spirit drink the quality, reputation or other characteristic that is essentially attributable to its geographical origin, take place in the relevant geographical area.”

59. Thus, under Article 35 of Regulation no. 2019/787 (as amended by SI 2020/1637) names which have become generic are not protected as PGIs. This is because the purpose of protecting geographical indications is to assure consumers that products bearing such an indication have, because of their provenance from a particular geographical area, certain specific characteristics and offer a guarantee of quality due to their geographical provenance. That purpose would not be achieved if a PGIs was or had become a generic name.⁴

60. Admittedly the evidence filed by the opponent is not 100% clear as to whether the majority of consumers in the UK consider that the name “cognac” carries a geographical and not a generic connotation (in the sense that it is perceived as the generic name of a spirit sold under different brands). However, bearing in mind that:

- a. the applicant did not plead that in the UK the majority of consumers believe that the name Cognac is generic;
- b. in its response to admitted facts, the applicant expressly admitted that “Cognac” has a reputation in the UK with average consumers “*as a brandy from the Cognac region of western France*”;

⁴ *Comite Interprofessionnel du Vin de Champagne v Aldi (Agriculture and Fisheries Agriculture and Fisheries)* [2017] EUECJ C-393/16

- c. there is evidence showing that cognac is marketed in the UK with reference to the cognac region of France or to France, examples of which are reproduced below:

The image shows two side-by-side pages. The left page is from a magazine and contains text about Cognac and Armagnac, a map of the region, and a competition entry form. The right page is an advertisement for Sainsbury's Cognac & Brandy, featuring a bottle of XO Brandy and promotional text.

Magazine Page Content:

Cognac comes from the Charentes region of western France. The Ugni Blanc grapes which are made into wine and then distilled twice to create Cognac, can come from six different growing zones, each with its own qualities.

The finest, central zone is Grande Champagne, producing the subtlest of Cognacs, ageing slowly in wood. Petite Champagne's Cognacs, almost as fine, age more quickly. Borderies produces full-bodied Cognacs. Fins Bois and Bons Bois Cognacs are light and are generally blended with better Cognacs. Bois Ordinaires Cognacs are few in quantity and rarely seen.

Armagnac is produced further south in the heart of Gascony, the land of the Three Musketeers. The same grape is used, but the spirit is only distilled once, meaning the taste is closer to the wine from which it comes.

Calvados in Normandy is the heart of apple growing country. And the Pays d'Auge is the heartland of Calvados. Up to 48 different wild apples are grown to produce first, cider, then when distilled, Calvados.

All Cognacs and Brandy are 70cl except for Sainsbury's French Brandy, which is available in 35cl, 70cl and 1 litre.

The law does not allow us to sell alcohol to persons under 18 years of age. All items are subject to availability. Some items are available at larger branches only.

Sainsbury's plc, Stoneford House, Stoneford Street, London SE1 9RL. 70014 436

Competition Entry Form:

WIN with Hennessy at Sainsbury's, a candlelit dinner and overnight accommodation for two at one of Britain's most famous restaurants

To enter the Sainsbury's/Hennessy Dinner for 2 competition, simply answer the two questions below, complete the table below in an apt and original way and send the entry form along with a Sainsbury's/Savacentre till receipt highlighting your purchase of one bottle of Hennessy VS (70cl) to the entry address shown below.

There are two prizes of a meal for two to the value of £150, a travel allowance and overnight accommodation at one of the following famous restaurants: Le Gavroche (Mayfair, London), Le Manoir aux Quat' Saisons (Great Milton, Oxford), Le Pompadour (Princes Street, Edinburgh).

Conditions

1. Offer valid 18.08.2010 to 31.12.2010. Open to all UK residents aged 18 or over, except holders of a passport from the Republic of Ireland, who are not eligible to enter the competition with the promotion.
2. Competition ends 31.12.2010.
3. The prize will be awarded to a single entrant in the competition who has correctly answered the questions and who is the registered holder of a Sainsbury's/Savacentre till receipt for the purchase of one bottle of Hennessy VS (70cl) and one of Sainsbury's/Hennessy Dinner for 2 (3 courses, £150) by 31.12.2010.
4. An entrant must be available to travel to the restaurant to receive the prize on the date specified in the competition rules. Prizes cannot be transferred to another person.
5. Prizes will be awarded to the entrant who is the registered holder of a Sainsbury's/Savacentre till receipt for the purchase of one bottle of Hennessy VS (70cl) and one of Sainsbury's/Hennessy Dinner for 2 (3 courses, £150) by 31.12.2010.
6. Prizes will be awarded to the entrant who is the registered holder of a Sainsbury's/Savacentre till receipt for the purchase of one bottle of Hennessy VS (70cl) and one of Sainsbury's/Hennessy Dinner for 2 (3 courses, £150) by 31.12.2010.
7. Prizes will be awarded to the entrant who is the registered holder of a Sainsbury's/Savacentre till receipt for the purchase of one bottle of Hennessy VS (70cl) and one of Sainsbury's/Hennessy Dinner for 2 (3 courses, £150) by 31.12.2010.
8. Prizes will be awarded to the entrant who is the registered holder of a Sainsbury's/Savacentre till receipt for the purchase of one bottle of Hennessy VS (70cl) and one of Sainsbury's/Hennessy Dinner for 2 (3 courses, £150) by 31.12.2010.
9. Prizes will be awarded to the entrant who is the registered holder of a Sainsbury's/Savacentre till receipt for the purchase of one bottle of Hennessy VS (70cl) and one of Sainsbury's/Hennessy Dinner for 2 (3 courses, £150) by 31.12.2010.
10. Prizes will be awarded to the entrant who is the registered holder of a Sainsbury's/Savacentre till receipt for the purchase of one bottle of Hennessy VS (70cl) and one of Sainsbury's/Hennessy Dinner for 2 (3 courses, £150) by 31.12.2010.
11. Prizes will be awarded to the entrant who is the registered holder of a Sainsbury's/Savacentre till receipt for the purchase of one bottle of Hennessy VS (70cl) and one of Sainsbury's/Hennessy Dinner for 2 (3 courses, £150) by 31.12.2010.
12. Prizes will be awarded to the entrant who is the registered holder of a Sainsbury's/Savacentre till receipt for the purchase of one bottle of Hennessy VS (70cl) and one of Sainsbury's/Hennessy Dinner for 2 (3 courses, £150) by 31.12.2010.

Entry form (please print)

Sainsbury's/Hennessy Dinner for 2 Competition

Please tick the box next to the correct answer:

1. In what year was the House of Hennessy Cognac founded?
 1765 1865 1965

2. Unravel the anagram to name the region where Cognac comes from:
 ATSNKRCHEE

Please complete the following sentence in no more than 12 words.
 Hennessy VS's characteristic and unmistakable taste is reminiscent of

CLOSING DATE: 14/01/05

Name: _____
 Address: _____
 Town: _____
 County: _____
 Postcode: _____

Advertisement Content:

See inside for money off coupons

Cognac & Brandy

Finish the meal in the right spirit

SAINSBURY'S

XO

BRANDY

Bottled in France

- d. there is evidence showing plenty of articles referring to cognac as a brandy originating from the Cognac region of France, including:

- (i) an article from the website www.gq-magazine.co.uk dated December 2012 stating: *"All cognac comes from a small and highly protected area of southwest France, so while it's true to say that it is a type of brandy, not all brandies are cognacs"*;
- (ii) an article from the website www.nationalgeographic.co.uk dated June 2018 stating: *"While all cognacs are brandies, not all brandies are cognacs, with the real deal being made according to very strict production methods and only in the Cognac region in western France"*;

- (iii) an article from the website www.independent.co.uk dated June 2020 stating: *“Cognac can only be called cognac if it’s from Cognac, a small region in France about 100km north of Bordeaux that is built up of six sub-regions, each of which is permitted to create cognac”*.

61. Taking into account all of the above, I am satisfied that for the majority of UK consumers the word ‘cognac’ is associated with the particular brandy produced in the Cognac region of France and has a current geographical connotation.

The reputation of the Napa Valley

62. In this opposition the opponent did not file any evidence regarding the reputation of the PDO Napa Valley. However, as I have found above, the absence of evidence establishing reputation of a PDO or PGI is not fatal to a claim under Section 3(4A) in order to establish evocation plus, in this case, the applicant has expressly admitted that NAPA VALLEY has a reputation with average consumers in the UK for wines originating from the Napa Valley in California.

The opponent’s best case

63. Admittedly, the opponent has, to an extent, taken a kitchen sink approach to these proceedings in the sense that it has pleaded every type of misuse set out in Regulation no. 2019/787 and Regulation no. 1308/2013 (as well as deception, likelihood of confusion, damage and detriment to the distinctive character and reputation of a collective mark). However, at the hearing, both the opponent and the applicant appeared to concentrate on the concept of evocation which is set out in Article 21(2)(b) of Regulation no. 2019/787 and Article 103(2)(b) of Regulation no. 1308/2013 (as amended).

64. Accordingly, I will first assess whether the name NAPAÑAC for brandy, fortified wines and spirits constitutes an ‘evocation’ (A) of the PGI COGNAC within the meaning of Articles 21(2)(b) and 36 of Regulation no. 2019/787 and (B) of the PDO

NAPA VALLEY within the meaning of Article 103 of Regulation no. 1308/2013. I will return to the other claims, which do not appear to me to be likely to succeed to any greater extent than that based on the concept of evocation, later.

Evocation

65. The opponent relies on a number of authorities particularly the recent High Court judgment ***Les Grands Chais De France SAS v Consorzio Di Tutela Della Denominazione Di Origine Controllata Prosecco*** [2020] EWHC 1633 (Ch). Here the protected name was the PDO Prosecco, and the disputed trade mark was NOSECCO, applied-for in relation to non-alcoholic sparkling wine. In its decision, the High Court found that use of 'NOSECCO' was contrary to EU law under Section 3(4) of the Act and went on to uphold the Hearing Officer's decision that the applicant's use of 'Nosecco' breached Article 103(2)(b) of Regulation 1308/2013, which protects PDOs against "*misuse, imitation or evocation*". Significantly, the applicant tried to argue that evidence was required from consumers to establish a link between the contested term and the protected name for the purpose of establishing evocation, but the argument was rejected by the Court which reiterated that national courts should base their decisions on the "*presumed reaction of consumers*". Even more significantly, the court relied on the evidence that the applicant had referred to 'Nosecco' as a "parody of Prosecco". It stated:

“As to the suggestion that it would also convey the message that the product was not Prosecco, I do not think that invalidates the point made by the Hearing Officer at [26]. That is that the effect of the aural and visual similarity between Nosecco and Prosecco, in combination with the initial “No-” would cause average consumers to consider it to be a reference to Prosecco or a Prosecco-like drink with no alcohol. I do not see how that could be said to be an unrealistic or unjustified view: indeed Ms Lickel's reference to the name as a “parody of Prosecco”, and to its “witty nature” or “clever concept”, seems to me to come very close to accepting that the intent behind the name, or at least its effect, was to make consumers think of Prosecco, and to contrast Nosecco with it because Nosecco was alcohol-free. That by itself in my view would make the case that Nosecco evokes Prosecco within the meaning of Art 103(2)(b) as

expounded by the Court of Justice, because it triggers in the mind of consumers an image of Prosecco. It is not necessary that the consumer should believe the Appellant's product actually to be Prosecco, as it is clear from the terms of Art 103(2)(b) that it would cover such formulations as "Prosecco-like" or "in the style of Prosecco" or even "imitation Prosecco". The average consumer would understand that products so labelled were not actually Prosecco, but this does not prevent them being examples of evocation".

66. I think the point about the court taking into account advertising material published by the applicant which suggested that any similarity between the signs was not fortuitous is particularly relevant in this case. This is because the opponent filed evidence aimed at establishing that the applicant chose the name NAPAÑAC intentionally to create an association with both designations COGNAC and NAPA VALLEY. I refer in particular to the following evidence:

- The evidence from an online article titled "*How Vintner Lindsay Hoopes Found a Silver Lining from the Epic Napa Fires*" dated July 2021 which reports some statements made by the applicant in an interview. In answer to the question "*How did you find a way to repurposing [wine made from smoke taint grapes]?*" the applicant stated: "*I was looking at all options and new technologies. Then in May of 2019, I was in Kentucky and met Marianne Eaves, the first woman to earn the title Master Distiller, at Castle and Key. We were at a Female Tastemakers dinner. We have a lot in common. She's a female in a very heavily male-dominated industry too. I loved meeting her and was joking around. I told her, "I've got a little problem. I've got some pretty smoky grapes. Do you think you can do anything with them?" She was interested and I said, "Let's try to make something beautiful out of this. They're [illegible]. **Cognac is brandy and brandy is made from wine and we had wine, so it was going to be some sort of brandy product.** And people are constantly trying to add smokiness to spirits. **Maybe we can marry these two seemingly conflicting worlds and create something interesting?** We kept in touch and decided to play around*

with it and got along extraordinarily well. And we're really excited about the product. **It's actually a new category that we're calling Napanac**";⁵

- The evidence from an online article titled "*Lindsay Hoopes: Creating Economic Viability and Attracting the Next Generation of Consumers to Napa*" dated January 2021 which describes the applicant as one of the wine's most inspiring people 2021. The article states: "*Lindsay was raised with no barriers if someone tells her no she will ask them how no becomes yes. Nothing can stop her. She thinks differently than everyone else in the room. Her creativity knows no bounds.*" says Hoopes Vineyards' star consulting winemaker, Aaron Pott of Pott Wine and Huis Clos Consulting. "*She is constantly thinking how she can make things better when others have the feeling that they are the best they can be. She is always changing, evolving, rethinking, reshaping and recreating and does not stop.*" [Illegible] meets crises head on with creative solutions. No stranger to pivoting plans, 2017 laid another big challenge at Hoopes feet; smoke from Napa Valley wildfires tainted the grapes in their vineyards making them useless for premium wine. **When crop insurance did not cover the losses, she took an innovative approach and teamed up with Master Distiller Marianne Barnes to distil the tainted wine into Napa's first "Cognac"**;⁶
- The evidence that in an episode of the podcast entitled "The Kara Goldin Show" which was released on 25 November 2020, the applicant stated: "*We started aging them in different barrels and ultimately came up with a product that is **kind of the Cognac of Napa**, if you will*";⁷
- The evidence that in an episode of the podcast The Birdies & Bourbon of October 2020 available on YouTube, Apple Podcasts and Spotify the applicant made the following statements during an interview: "*actually, well **a brandy umm, you know is mostly made from grapes as is Cognac** – it's made from*

⁵ MCA1

⁶ MAC1

⁷ A transcription of relevant parts of The Kara Goldin Show broadcast is attached to Mr Anderson's second witness statement (MCA C2 #1, pp. 16 - 19)

wine I should say, so it's going to be extraordinarily limited so we produced umm, a significant – well I should say the distillation process reduces the volume substantially you know, turns into about 15% so in 2017 50% of my harvest was affected and of that now we only have 15% that is converted into brandy - it's super rare, super small quantities and then obviously every year that we make it, it sort of depends on what was affected by the fire right? [...] **mean look at Cognac right?** oh but that's not how you think about it right? like when you say Napa doesn't have to do it - and look at Cognac right? **why is Cognac unique? Napa has that same ability.** I remember one of the biggest lessons I learned you know with all this with this stuff taint what's interesting is smoke taint doesn't undo the quality of what you put into the still because the grapes themselves are still ultra-premium quality, they're still grown under the best conditions with the care you would put in for ultra-premium grapes, so I'll hand harvest it and all of those things that make great wine so the input is actually high for an ultra-premium spirit and that's how I like to think of it because you know when you think about **Cognac** yeah it's great from a region. Why is that important - because of how they handle them, because of the type of grape that goes into it so you know I actually think that **Napa** is probably the prime destination for **creating this new category**, in my mind very effective....”,⁸

- The evidence that in an email dated 13 May 2021 to Napa Valley Vintners the applicant stated: “I wanted to inquire about the appropriate contract at Napa Valley re: our trademark application. **We have filed a trademark application for Napañac (Napa + Cognac) for our Brandy produced from smoke tainted grapes**, as I think we've discussed, and the trademark office returned a comment that a potential conflict exists with Napa Green & Napa Valley. While I don't think that our trademark is similar for a number of reasons, I figured it would be best to discuss with your counsel to discuss the NVV position on the topic first”,⁹

⁸ A transcription of parts of the Birdies & Bourbon podcast is attached to Mr Anderson's second witness statement (MCA C2 #2, pp. 21 - 24).

⁹ MCA C2 #3, pp. 26 - 27

- The evidence of a social media post from the applicant at hoopesvineyard stating: “*In honour of national cognac day, I decided to honour our new product, # napanac*”;¹⁰

67. Another case in which intention to create a link between the contested mark and the protected name was considered to be relevant is Case C-75-15 *Viniiverla Oy v Sosiaali-ja terveystalun lupa-ja valvontavirasto* (“*Viniiverla*”). Here the protected name was Calvados, and the disputed designation was Verlados, used on a cider spirit produced in the Finnish town of Verla. The relevant protection was that found in Art 16(b) of Regulation 110/2008. The CJEU said (in the context of evocation):

" 37. In this case, it must be noted that, according to the referring court, it is not disputed that the name ‘Verlados’ is used in Finland for products similar to those with the protected geographical indication ‘Calvados’, that those products have objective characteristics in common, and they are consumed, from the point of view of the relevant public, on occasions which are largely identical.

38. As regards the visual and phonetic relationship between the names ‘Verlados’ and ‘Calvados’, the referring court must take into account the fact that they both contain eight letters, the last four of which are identical, and the same number of syllables, and that they share the suffix ‘dos’, which confers on them a certain visual and phonetic similarity.

39. It is also for the referring court to take into account, in accordance with the Court’s case-law, possible information capable of indicating that the visual and phonetic relationship between the two names is not fortuitous (see, to that effect, judgment in *Consorzio per la tutela del formaggio Gorgonzola*, C-87/97, EU:C:1999:115, paragraph 28).

40. In that regard, the French Government contends that the product ‘Verlados’ was originally named ‘Verla’, the suffix ‘dos’ being added only later, following a significant growth in exports of ‘Calvados’ to Finland between 1990 and 2001.

¹⁰ MCA C2 #17 pp 82

Moreover, that government observes that the syllable 'dos' has no particular meaning in the Finnish language. Those facts, which are to be established by the referring court, are capable of constituting evidence from which it may be concluded that the relationship referred to in paragraph 38 of the present judgment is not fortuitous".

69. Finally, the relevance of possible information capable of indicating that the visual and phonetic similarity between the competing names is not fortuitous was also made clear in Case C-87/97 **Consorzio per la Tutela del Formaggio Gorgonzola v Käserei Champignon Hofmeister GmbH&Co. KG**.¹¹ Here the protected name was Gorgonzola, and the disputed designation was Cambozola, used for a German blue cheese. Furthermore, the CJEU rejected the defendant's argument that there was no "evocation" if there was no likelihood of confusion. It stated:

"25. Evocation, as referred to in Article 13(1)(b) of Regulation No 2081/92, covers a situation where the term used to designate a product incorporates part of a protected designation, so that when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose designation is protected.

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

27. Since the product at issue is a soft blue cheese which is not dissimilar in appearance to 'Gorgonzola, it would seem reasonable to conclude that a protected name is indeed evoked where the term used to designate that product ends in the same two syllables and contains the same number of syllables, with

¹¹ Paragraph 28: "In that connection, it would also seem appropriate for the national court to take into account advertising material published by Käserei Champignon and placed before the courts by the plaintiff, which suggests that the phonetic similarity between the two names is not fortuitous".

the result that the phonetic and visual similarity between the two terms is obvious.

28. In that connection, it would also seem appropriate for the national court to take into account advertising material published by Käserei Champignon and placed before the courts by the plaintiff, which suggests that the phonetic similarity between the two names is not fortuitous”.

69. In so finding, the Court followed the opinion of advocate general that when assessing evocation intention is relevant:

“35. On the question of intention, I would add that, although as indicated above I consider that 'evocation' is an objective concept, that does not mean that intention is necessarily irrelevant. Although Article 13(1)(b) would be applicable even to a name chosen at random with no intent to evoke, if that name in fact evoked a registered name, nevertheless the intention of the owner of the mark in choosing that mark may be relevant. In this case, for example, where common sense suggests that the name 'Cambozola' was chosen not because 'zola' was a common Italian geographical suffix, which would be an unlikely reason in the context of a German cheese not purporting to be Italian, but because it evoked the idea of an established cheese of a similar type, that circumstance supports the existence of evocation. Moreover the advertisement referred to above, albeit a single instance, strongly supports this inference as to the derivation of the name.

36. I cannot in any event accept the defendants' argument that the alleged fact that the suffix 'zola' is a common suffix in Italian place names could in itself prevent its being an evocation in the context in which it is used: the fact that it might be common in some parts of Italy cannot prevent it from being an evocation elsewhere, where names ending in -zola are rare.”

Decision

The applicant's intention

70. Indeed, it is difficult not to agree with the opponent that the evidence clearly indicates that the applicant intends to use the mark NAPAÑAC in relation to a brandy product that is going to be marketed as a new product comparable to a Cognac but made from grapes produced in Napa Valley. In this connection, it is particularly pertinent that the applicant herself referred to the mark NAPAÑAC as a combination of the designations Napa and Cognac. This directly shows, in my view, that the intention has always been that consumers establish a link between the mark NAPAÑAC and the protected names Cognac and Napa Valley.

71. The applicant did not challenge the opponent's evidence but argued that:

- a. The name NAPAÑAC was created to pay homage to the "Spanish" origins of brandy in California and use of the suffix "nac" was to *"build a bridge to high end grape brandies from all over the world"* and COGNAC is not the only spirit including the suffix "nac". In this connection, the applicant claims that average consumers in the UK will be familiar with ARMAGNAC which is a brandy produced in the Armagnac region in France, and that there are further distilled products from regions ending with the suffix "nac", such as LOURIGNAC, SALIGNAC, SARGARGNAC, CARIFORNGNAAC, LOUIS D'ARMAGNAC, VINJAK, SAUVRIGNAC, LAURIGNAC and GAVERNAC;
- b. The product was intended to recall Napa to the extent that the brandy comes from Napa as opposed to any other part of California;
- c. The product was not intended to evoke COGNAC any more than any other region of production of high-end brandy spirits.

72. In relation to point (a) first, as the opponent noted, there is no evidence about how well-know the designations ARMAGNAC, LOURIGNAC, SALIGNAC,

SARGARGNAC, CARIFORNGNAAC, LOUIS D'ARMAGNAC, VINJAK, SAUVRIGNAC, LAURIGNAC and GAVERNAC are in the UK. Second, it seems to me that the applicant's argument is similar to that rejected by the advocate general in *Conorzio per la Tutela del Formaggio Gorgonzola v Käserei Champignon Hofmeister GmbH&Co. KG*; hence I consider that the alleged fact that the suffix 'nac' is incorporated in other protected spirit drink names, even if proven (which is not), would not prevent the suffix 'nac' from being an evocation of Cognac within the name NAPAÑAC. Further, it is sufficient that the mark evokes Cognac. The mere fact that it may also evoke (say) Armagnac to some consumers does not prevent it evoking Cognac too. As regard points (b) I take it as an admission that the first part of the name NAPAÑAC, i.e. NAPA, is intended to evoke the designation NAPA VALLEY. Finally, point (c) cannot assist the applicant because I have already rejected point (a).

73. I also note that in her witness statement, the applicant stated that any statements made in connection with COGNAC have been to clarify an intent to create a product similar to Cognac. She stated (emphasis added):

"7. Any statements made in connection with 'COGNAC' have been to clarify an intent to create a unique product, similar to Cognac only to the extent that it is a high-end brandy from a specific place, no more, no less.

18. The intent is, and always has been, to produce a high-end brandy made in a place unique from COGNAC, without reference to COGNAC, and create a new product category for wine producers locally. I usually describe the product, since it is new to the market, as similar only to provide context. My statements are often in connection with all other high-end brandies, although that does not always get reported."

74. Having essentially admitted an intent to convey the message that the product is similar to Cognac in the sense that it is a high-end brandy, Cognac being a famous and renowned high-end brandy, the applicant went on to deny an intent to market the product by alleging any connection with COGNAC. She stated (emphasis added):

“19. The brand story around NAPAÑAC is very tied to California, and specifically, the fires that originated in California and the history of the Spanish origins of brandy in California. There is no intent to market the product to allege any connection with COGNAC. Indeed, that would be inconsistent with the brand, the name, and the story of origin.

20. I intend to reclaim the history of California in the story of high-end brandy, not associate the product with COGNAC.

21. COGNAC barrels are used for ageing and finishing, but the product makes no reference to that in the marketing story. Barrels from other spirits and areas also used, including wine port, marsala, vermouth, and more.”

75. The applicant’s statements are clearly contradicted by the opponent’s evidence. That evidence, as it will be recalled, clearly shows that the applicant made public statements saying that the product is intended to be a kind of Cognac of Napa, or Napa’s first Cognac, not only that the product is aged using Cognac barrels. This is how the applicant conceptualised the product and the name, and I would be surprised if it was not marketed in that way. As Ms McFarland stated at the hearing, indeed, this is what the applicant set out to do.

76. Mr Traub on his part, argued that the reference to Napa and Cognac in the email sent by the applicant to Napa Valley Vintners was intended as a reference to Californian brandy or to brandy as a whole and was therefore intended in a descriptive manner, i.e. as a descriptive term for brandy. I do not accept the argument. If the applicant intended to create a new term which had some references to brandy as a generic name or a descriptive term, I would have expected the product to be called NAPA-NDY or something like that, incorporating the word brandy or part of it. Further, there is no evidence that UK consumers are familiar with so many other protected brandy names incorporating the suffix ‘nac’ and that the same suffix will be perceived as synonymous with brandy. Finally, Mr Traub tried to downplay the evidence concerning the email to Napa Valley Vintners by saying that the email is not a public statement that would help to educate any consumer and has little or no value. I should only say that, in addition to the email, there is clear evidence of the applicant referring in public statements to the product in relation to which the contested mark NAPAÑAC

is intended to be used as a kind of Cognac of Napa, or Napa's first Cognac. Further, even if it was not a public statement, it sheds light on the applicant's reasons for choosing the mark. It is farfetched to suggest that these reasons would only be known by the applicant and not by relevant consumers. I therefore reject Mr Traub's arguments.

77. As it will be recalled, the case law that I have set out above tells me that the intention on the part of an applicant is relevant. However, that is not the only factor I need to consider, the other factors being the similarity of the goods and the similarity of the signs. Before turning to these factors, I will briefly comment on the evidence filed by the parties about the likely reaction of the average consumer.

The evidence about the likely reaction of the average consumer

78. Both parties filed evidence about the likely reaction of the average consumer to the trade mark NAPAÑAC. The individuals giving the evidence are not expert witnesses. They do not refer to any special features of the spirit and wine market of which I might otherwise be ignorant, and which may be relevant to the question of whether the contested mark will evoke the protected designations. Further, most of the opinion evidence which has been provided refers to different tests, including the likelihood of confusion, and the likely damage to reputation, which are not relevant here. What is required is that the protected designation is evoked. I will therefore give no weight to that evidence.

79. What I think is more relevant in this case is the evidence about the likely pronunciation of the suffix ÑAC because if the tilde is pronounced with a Spanish pronunciation, namely with the Ñ pronounced like the 'ni' in onion, i.e. as 'ny', that sound would bring the ending of the word NAPAÑAC closer to the ending of the word COGNAC increasing the aural similarity between the signs. However, again, whatever evidence has been given on the point is not expert evidence but rather opinion evidence from individuals who are not entitled to be treated as experts. Nevertheless, I will refer to points made in the context of that evidence, as factors which will assist me in making up my own mind. Mr Anderson for the opponent referred to the following

considerations in support of the conclusion that the UK average consumer will pronounce the tilde according to the Spanish pronunciation:

- The UK average consumer is likely to know the Spanish words 'mañana' and España and how they are pronounced in Spanish and will apply the same pronunciation to the element ÑAC in NAPAÑAC;
- In the UK it is generally known that the letter Ñ with the tilde is pronounced in the same manner as the letters 'GN';
- The palatal nasal Ñ is commonly used in number of English terms of Spanish origin such as piñata, including names of alcoholic drinks such as piña colada, and in terms such as El Niño which describes the warning of the sea surface;
- In the decade between 2010 and 2019 there were annually between 14 million and 18 million British visits to Spain;
- Cognac is referred as Coñac with the tilde in relation to products sold in Spain which British people visiting Spain are likely to have encountered;
- The UK average consumer is likely to have visited Spain or learnt Spanish and will be aware of how the letter ñ with the tilde is pronounced in Spanish;

80. Conversely, in her witness statement the applicant said that having studied linguistics extensively, she did not believe that the average consumer would pronounce the last part of the word NAPAÑAC as "gnac" (as pronounced in French) and stated that most British English speakers would pronounce the element ÑAC as the word knack because the sound 'GNAC' is uncommon in the English language. The applicant also stated that (a) upon seeing the word NAPAÑAC some consumer will *"assume there is a connection to a Spanish-speaking country because the ñ, visually, is known widely to originate in Spanish-speaking countries"* and (b) the visual reference immediately takes the consumer away from the concept of COGNAC and France causing the average consumer to associate the product with Spanish-speaking

countries rather than with France. However, the applicant stated, “*more people visually associate the ñ with Spain in the UK than know how to pronounce the ñ*”.

81. There is nothing to support the applicant’s statements that the UK average consumer will know that the letter ñ with the tilde originates from Spain but will not know how to pronounce it. In my view, if the average consumer is aware that the letter ñ with the tilde derives from the Spanish alphabet, they will also know how to pronounce it.

82. Other witnesses giving evidence for the applicant state that being native British speakers, they are not convinced that the average UK consumer would pronounce the letters ‘ñac’ in NAPAÑAC as the French pronounce the letters ‘GNAC’ because Spanish is not a particularly common second language in the UK and even those who speak it do not properly pronounce the tilde. In this connection, I also note Mr Fields’ evidence that the Spanish population in the UK as of June 2021 was 206,000 which equates to 0.3% of the entire UK population.

83. Balancing out the points made by the parties, I am not convinced that most UK consumers will pronounce the suffix ÑAC as the letters ‘GNAC’ or ‘NYAC’. Whilst some consumers might use the Spanish pronunciation, in my view, a greater proportion of consumers would attempt to articulate the suffix using the British pronunciation, i.e. as the letters ‘nack’; however, the presence of the tilde might draw the consumer’s attention to the letter ‘N’ with the result that consumers are likely to attempt a pronunciation that emphasise that letter. Equally, I am not convinced that most UK consumers will know that the letter Ñ with the tilde is part of the Spanish alphabet which means that they will not associate the product with Spanish-speaking countries.

Similarity of the goods

Cognac

84. The goods applied for under the contested application are *Brandy; Fortified wines; Spirits*. Cognac is a type of brandy which is a strong alcoholic spirit distilled from wine.

As the term *spirits* in the contested specification notionally include brandy, *Brandy* and *Spirits* in the application are both identical to the goods protected by the PGI Cognac.

86. The opponent also claims that *Fortified wines* are identical to Cognac. Collins online dictionary defines *Fortified wines* as “a wine that contains more alcohol than wines usually do” referring to sherry and Martini as examples of fortified wines. Whilst the goods are not identical, I consider that fortified wines are similar to a medium to high degree to Cognac as they are both strong alcoholic drinks made from, or consisting of, wine. The goods target the same users, have the same purpose and methods of use and are sold in close proximity to each other in supermarkets. However, they are not complementary and any degree of competition which might exist between the goods is limited to the fact that consumers can chose an alcoholic wine-based drink over another.

Napa Valley

86. The goods protected by the PDO *Napa Valley* are wines at large. Since Fortified wines are wines with a higher percentage of alcohol than usual, I find that they are identical to Napa Valley wines (which are unlimited and cover fortified wines). Applying the same reasoning I have adopted above, and bearing in mind that wines have a lower percentage of alcohol than brandy and spirits, I find that the contested *Brandy* and *Spirits* are similar to a medium degree to *Napa Valley* wines.

Similarity of the signs

Cognac

87. Ms McFarland submitted that there is a very high degree of similarity in regard to the signs. Mr Traub contended that the fact that COGNAC and NAPAÑAC coincide in the letters NAC at the end of each name, does not render the names highly similar. He stated that NAPAÑAC is a new distinctive word which is distinguishable from the PGI COGNAC and that the additional element NAPA in the application renders the names dissimilar, and certainly not “highly similar” as required under the correct test.

88. Visually, the signs COGNAC and NAPAÑAC are made up of six and seven letters respectively so they are of similar in length and coincide in the last three letters NAC/ÑAC. However, the initial part of the signs is different, i.e. COG versus NAPA and the tilde on the letter N has no counterpart in COGNAC. Overall, the signs are similar to a low to medium degree.

89. Aurally, COGNAC will be pronounced by UK consumers as KONYAK. NAPAÑAC will be pronounced by most average consumer as NAPA-NNAK, the tilde attracting some emphasis on the letter N, whilst some consumers might use the Spanish pronunciation NAPANYAK - this would be, in my view, the British version of the Spanish pronunciation given that the English language does not use the 'GN' sound. In the first scenario, the signs are aurally similar to a low to medium degree, in the second one the aural similarity is increased to a medium degree.

90. Conceptually, Mr Traub's position was as follows:

"Conceptually, as [the opponent] has shown itself in its evidence, "Cognac" refers to a region in Southwestern France. The mark depicted in the Contested Application is an invented word and does not have any meaning. Even if the consumers were to break down NAPAÑAC in its constituent parts, it is simply not perceivable as to why the ending "ÑAC" should have the same conceptual meaning as "Cognac". The COGNAC Registration and the Contested Application are therefore conceptually also dissimilar. [...]

Conceptually, even if it is accepted that "GNAC" is generally understood as a synonym for "cognac", which is denied, BNIC here has been comparing the meaning of the PGI COGNAC with the abbreviation "GNAC" to find a conceptual similarity. However, the marks to be considered in this case are not "COGNAC" vs. "GNAC" or even "COGNAC" vs. "ÑAC" or "NAC". The assessment is between "COGNAC" and "NAPAÑAC".

91. In this case, I am not convinced that the conceptual similarity or dissimilarity between the signs adds much to the question of whether the contested sign evokes the PGI COGNAC. This is because to the extent that NAPAÑAC is an invented word

and COGNAC designates a PGI, the only conceptual proximity between the sign depends on whether NAPAÑAC evokes COGNAC in the sense that the average consumer will link the suffix ÑAC to COGNAC.

Napa Valley

92. Visually and aurally, the signs NAPA VALLEY and NAPAÑAC consist of two words and one word respectively and are made up of ten and seven letters respectively. The signs coincide in the first four letters which are clearly identifiable at the beginning of the mark. The word NAPA corresponds to a geographical location in the USA and is the main identifier of such location and the most distinctive element of the designation. The word VALLEY, although is part of the geographical name, will be perceived by the UK consumer as descriptive, indicating a characteristic of the geographical area, i.e. that is a low area of land between hills or mountains, and will have less weight in the overall impression. The signs differ in the less distinctive element VALLEY in the protected PDO and in the last three letters ÑAC in the contested mark. In my view the signs are visually and aurally similar to a high degree. Conceptually, for similar reasons to those which I have set out above, the question of the conceptual similarity is essentially in this case a question of evocation.

The average consumer

93. In assessing whether there is an 'evocation' within the meaning of Article 103(2)(b) of Regulation no.1308/2013 and Article 21(2)(b) of Regulation no. 2019/787 I must determine whether, when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product protected by the PGI and/or PDO.¹² In making that assessment I must refer to the perception of an average UK consumer who is reasonably well informed and reasonably observant and circumspect. In the present case, it is necessary to assess to what extent the mark NAPAÑAC used in relation to brandy, fortified wines and spirits is capable of evoking the PGI Cognac and the PDO Napa Valley in the mind of the average UK consumer, having regard to the similarities between the signs the goods at issue.

¹² *Viiniverla*, C-75/15, paragraph 25

94. Ms McFarland submitted that there is nothing particularly specialized or unusual about the average consumer in this case who would be any adult over the age of 18 who would consider purchasing brandy, spirits or fortified wines for consumption at home, or in a restaurant, café, bar, nightclub or other place of entertainment.

95. Mr Traub submitted that alcoholic drinks are considered to be everyday products, whose consumers are deemed to have an average degree of attentiveness. He also argued that the actual relevant public in respect of wines on the one hand, and brandy and spirits on the other, may be different.

96. As it will be recalled, I have concluded that being that Section 3(4A) is an absolute ground for refusal, the opponent does not have to be owner of an earlier right or the user of a protected name to rely on it, and so the opponent can rely on both the PGI COGNAC and the PDO NAPA VALLEY. The relevant enactments relied on by the opponent as prohibiting the use of the contested mark are Regulation no.1308/2013 (which governs the protection of the PDO Napa Valley) and Regulation no. 2019/787 (which governs the protection of the PGI Cognac) – as amended. Although the opponent claimed that the contested mark is a hybrid mark and will evoke both designations contemporaneously, it seems to me that for the claim based on evocation to be made out, it is sufficient that one of the designations is evoked in the context of each set of goods.

Evocation

Does NAPAÑAC evoke COGNAC?

97. The opponent's strongest case is in relation to brandy and spirits because these goods are either self-evidently, or at least notionally, identical to COGNAC.

98. I remind myself that evocation is not assessed in the same way as likelihood of confusion. As the CJEU has held, there can be 'evocation' even in the absence of any likelihood of confusion. The relevant test is whether, when the average consumer who is reasonably well informed and reasonably observant and circumspect is confronted with the mark NAPAÑAC, the image triggered directly in his mind is that of the product

whose PGI COGNAC is protected. There is no requirement for the relevant consumer to be confused.

99. In assessing whether such the contested mark evokes the PGI COGNAC I consider the following:

- A. The signs NAPAÑAC and COGNAC have a low to medium degree of visual similarity. Aurally, most consumers will pronounce the mark as NAPA-NNAK; for those consumers there is a low to medium degree of similarity with the designation COGNAC. For the smaller group of consumers who will use the Spanish pronunciation NAPANYAK there is a medium degree of aural similarity;
- B. Although the signs have different beginnings, they share a characteristic ending that has no particular meaning;¹³
- C. NAPAÑAC and COGNAC share a similar number of letters, being seven and six letter long respectively;
- D. The goods concerned are identical, all being (or notionally including) brandy;
- E. Although 'evocation' is objective in the sense that there is no need to show that the owner of the contested mark intended to evoke the earlier PGI, evidence which suggests that the similarity between the two names is not fortuitous is relevant. In this case, the evidence establishes that the name NAPAÑAC was chosen to convey the message that the product was a Cognac-type of product from Napa Valley. Hence, even if the applicant intended to present the product as originating from Napa Valley rather than from the Cognac region of France, the fact that it evoked the idea of a brandy of a similar type to COGNAC, is sufficient to supports the existence of evocation.

100. Taking all of the above into account, I conclude that even in circumstances where the mark is articulated as NAPA-NNAK, the low to medium degree of visual and aural

¹³ See *Gorgonzola/Cambozola C-87/97* and *Verlados/Calvados C-75/15*, *Viiniverla*.

similarity between the signs is offset by the considerations I made at points at B, C, D and E and by the strength of the reputation of the PGI COGNAC, all of which are elements in support of evocation. The contested mark NAPAÑAC for brandy and spirits evokes the PGI COGNAC.

101. However, I consider that that the contested mark NAPAÑAC for fortified wine does not evoke the PGI COGNAC, considering the differences between fortified wines and brandy. In other words, given the differences between fortified wines and brandy (e.g. different characteristics, ingredients and taste) and the fact that the PGI COGNAC is not fully reproduced in the mark NAPAÑAC, the relevant consumers will not establish a link between a bottle of fortified wines marketed under the trade mark NAPAÑAC and the brandy protected by the PGI COGNAC.

102. I therefore conclude that the PGI COGNAC would be evoked by the trade mark NAPAÑAC within the meaning of Article 21(2)(b) of Regulation no. 2019/787 if used in relation to brandy and spirits. The opposition under Section 3(4A) is successful to this extent.

Does NAPAÑAC evokes NAPA VALLEY?

103. The opponent's strongest case is in relation to fortified wines because these goods are identical to NAPA VALLEY wines. In assessing whether such the contested mark evokes the PGI COGNAC I consider the following:

- A. The signs NAPAÑAC and NAPA VALLEY are similar to a high degree;
- B. The signs share a characteristic beginning, and consumers tend focus on the beginning of trade marks;¹⁴
- C. The goods concerned are identical, all being wines. The identity of the goods is an element in support of evocation.

¹⁴ *Parmesan/Parmigiano Reggiano C-132/05*

104. Taking all of the above into account, I conclude that NAPAÑAC for fortified wines evokes the PDO NAPA VALLEY. I also consider that NAPAÑAC for brandy and spirits will not evoke the PDO NAPA VALLEY because when account is taken of the differences between wines and brandy/spirits the fact that the PDO NAPA VALLEY is not fully reproduced in the trade mark is likely to result in the relevant consumers not establishing a link between brandy and spirits marketed under the trade mark NAPAÑAC and wines protected by the PDO NAPA VALLEY.

105. I therefore conclude that the PDO NAPA VALLEY would be evoked by the trade mark NAPAÑAC within the meaning of Article 103(2)(b) of Regulation no. 1308/2013 if used in relation to fortified wines. The opposition under Section 3(4A) is successful to this extent.

OTHER GROUNDS

106. As the opposition has been successful under Section 3(4A) there is no need for me to consider the other grounds in any detail. I shall not say anything other than it appears to me that if I am wrong that the contested mark will evoke the PGI COGNAC and the PDO NAPA VALLEY, the other pleaded grounds cannot succeed. This is because:

- (a) the opponent cannot rely on the PDO NAPA VALLEY in the context of the remaining relative grounds, namely Sections 5(2)(b), 5(3) and 5(4)(aa);
- (b) for the purpose of finding there to be an 'evocation', the courts must determine whether, when the consumer is confronted with the name of the product, the image triggered in his mind is that of the product whose indication is protected. As the test for finding evocation is less strict than that for finding likelihood of confusion, misrepresentation and damage to goodwill, and damage to reputation, the opposition under Sections 5(2)(b), 5(3) and 5(4)(aa) cannot succeed to any greater extent than that based on Section 3(4A);
- (c) the opponent's claim under Section 3(3) is that the trade mark shall not be registered because it is of such a nature as to deceive the public as to the

nature, quality or geographical origin of the goods. If I am wrong that the contested mark will evoke the PGI COGNAC and the PDO NAPA VALLEY, I cannot see how it can deceive anyone.

OVERALL CONCLUSION

107. The opposition is successful under Section 3(4A) of the Act. The applicant's mark will be refused.

COSTS

108. The opponent has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. I award costs to the opponent as follows:

Official fee:	£200
Filing the opposition and considering the Counterstatement:	£500
Filing evidence and considering the applicant's evidence:	£2,000
Preparing for and attending a hearing	£800
Total:	£3,500

109. I therefore order Lindsay Hoopes to pay Bureau National Interprofessionnel du Cognac the sum of £3,500. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of the proceedings if any appeal against this decision is unsuccessful.

Dated this 12th day of January 2024

Teresa Perks
For the Registrar