

O/079/20

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3323712 BY
SOCIEDAD ANÓNIMA VIÑA SANTA RITA
TO REGISTER:**



AS A TRADE MARK IN CLASS 33

AND

**IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 414488 BY**

**INSTITUTO NACIONAL DE DEFENSA DE LA COMPETENCIA Y DE
LA PROTECCIÓN DE LA PROPIEDAD INTELECTUAL**

BACKGROUND AND PLEADINGS

1. Sociedad Anónima Viña Santa Rita (“the applicant”) applied to register the trade mark shown on the cover page of this decision in the United Kingdom on 10 July 2018. It was accepted and published in the Trade Marks Journal on 24 August 2018 in respect of the following goods:

Class 33

Alcoholic beverages [except beer]; pisco.

2. The application was opposed on 26 November 2018 by Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual (INDECOPI) (“the opponent”). The opposition is based upon sections 3(3)(b), 3(4) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and concerns all the goods of the application.

3. Under section 3(3)(b), the opponent claims that registration of the trade mark would be of such a nature as to deceive the public as to the geographical origin of the goods, if, or to the extent that, the mark were used in relation to products not processed in Pisco, a town and region in Peru which the opponent describes as “famous for its fruit spirits”.¹

4. Under section 3(4), the opponent claims that use of the applied-for mark would be preventable in the UK by Article 16 of EU Regulation No. 110/2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks (“the 2008 Regulation”), as “Pisco” is a protected geographical indication (PGI) and the applied-for mark makes prominent use of the PGI.

5. Under section 5(4)(a) of the Act, the opponent claims that use of the applicant’s mark for the goods in the application is liable to be prevented under the law of passing off, owing to the goodwill attached to the sign **PISCO**, which it claims to have used throughout the UK since at least 2002, in respect of the following goods: *Fruit spirits*.

¹ Statement of Grounds, paragraph 5.

The opponent claims that the sign is protected in England and Wales under the “extended form” of passing off.

6. The applicant filed a defence and counterstatement, denying all the grounds. In particular, it claims that Pisco is widely recognised as the national drink of both Peru and Chile and that the EU has adopted legal provisions permitting the sale of goods originating from both Peruvian and Chilean producers under the registered name “Pisco”. Consequently, it claims, the applied-for mark would neither deceive the public as to the geographical origin of the goods nor be preventable by a provision of EU law.

7. With regards to the opponent’s claim under section 5(4)(a), the applicant puts the opponent to strict proof that it has the necessary trading goodwill in relation to the goods in question and that the alleged “extended form” of passing off applies in this instance.

8. On 5 June 2019, the applicant amended its specification as follows:

Class 33

Alcoholic beverages [except beer]; pisco; all of the aforesaid goods being of Chilean origin and complying with the protected geographical indication “PISCO”, protected under the agreement between the European Union and Chile of 2002.

9. On 24 June 2019, following a letter from the Registry, the opponent confirmed that it wished to maintain the opposition.

10. Both parties filed evidence, the opponent on 11 April 2019, 25 April 2019 and 12 September 2019 and the applicant on 11 July 2019. The evidence will be summarised to the extent that I consider necessary

11. Neither side requested a hearing. Both parties filed written submissions in lieu of a hearing on 23 October 2019. These will not be summarised but will be referred to as and where appropriate during this decision, which has been taken following a careful consideration of all the papers.

12. In these proceedings the opponent is represented by Abel & Imray and the applicant by Sipara.

Preliminary Issue

13. Article 2 of the Trade Marks (Relative Grounds) Order, SI 2007/1976, states that:

“The registrar shall not refuse to register a trade mark on a ground mentioned in section 5 of the Trade Marks Act 1994 (relative grounds for refusal) unless objection on that ground is raised in opposition proceedings by the proprietor of the earlier trade mark or other earlier right.”

14. Section 5 of the Act defines the proprietor of an earlier right as being ‘a person ... entitled to prevent the use of a trade mark’. The effect of these provisions is to limit the right to bring an opposition under section 5(4)(a) to those entitled to bring a passing off action in the courts. The courts have stated that, to have the standing to bring a passing-off action, the claimant’s business must consist of, or include, selling in England and Wales a class of goods to which the particular sign applies: see Lord Fraser’s speech in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] AC 731, at page 755.

15. I note that the opponent is an agency of the Government of Peru and that it has supplied no evidence that it trades in the goods in question. It does not therefore appear to own a share of any goodwill under the name “Pisco”. Consequently, I find that it has no standing to bring a claim under section 5(4)(a), and I will make my decision on the section 3(3)(b) and 3(4) grounds only.

EVIDENCE

Opponent’s evidence in chief

16. The opponent’s evidence in chief comes from His Excellency Mr Juan Carlos Gamarra, the Peruvian Ambassador to the United Kingdom. He states that he has full powers to act in the name of INDECOPI, which is the agency authorised to defend

Peruvian PGIs, and that the information contained in his witness statement and attached exhibits comes from publicly available records, from the records of the Republic of Peru or those of the INDECOPI, or his own personal knowledge. His witness statement is dated 10 April 2019.

17. Pisco is a fruit spirit produced in Peru from the fermentation and distillation of grapes. The Ambassador's witness statement gives a history of the drink and its protection as a PGI. He states that the PGI has a high reputation among EU consumers, and has won awards in competitions held in France, Belgium, the UK and Spain.² It has been promoted in the EU through events, trade fairs and the publication of promotional material. He adds:

“These promotional activities have been carried out in most of the cases under the slogan ‘PISCO IS PERU’, emphasising the extent to which ‘Pisco’ is considered a national emblem in Peru.”³

18. Pisco was first protected as a PGI in Peru in 1990. The relevant legislation is attached to the witness statement as Exhibit JCG6. INDECOPI applied for the registration of the PGI “Pisco” in accordance with Article 17(3) of the 2008 Regulation. This application can be found in Exhibit JCG3. The technical file was published and no objections were received. “Pisco” was included as a PGI in Annex III to the 2008 Regulation by means of Commission Regulation (EU) No. 1065/2013 (“the 2013 Regulation”) of 30 October 2013.⁴

19. A further witness statement comes from Mr Johnny René Schuler Rauch, legal representative of the company Destileria La Caravedo S.R.L., which has been exporting, selling and distributing products protected by the Pisco PGI in the UK since 31 January 2014. His witness statement is dated 24 April 2019.

20. Mr Schuler Rauch states that his company has exported 3,192 litres of products protected by the Pisco PGI to the UK in 2014, followed by 3,360 litres in 2015 and

² Exhibits JCG9 and JCG10.

³ Paragraph 22.

⁴ Exhibit JCG8.

5,670 litres in 2016. Exhibit 1 contains 3 bills of lading from this period and Exhibit 2 the corresponding invoices.

Applicant's evidence

21. The applicant's evidence comes from Mr Nicholas David Baker, a Director and Solicitor at Sipara, the representative of the applicant. His witness statement is dated 24 June 2019.

22. Attached to Mr Baker's witness statement are extracts from the EU legislation concerning the use of the name "Pisco" for products originating in Chile. I will return to this in due course.

23. Also attached is an extract from Pisco Chile's website which explains the history of the drink and notes that it was designated as an Appellation of Origin in 1931.⁵ Exhibit 5 contains a collection of articles from publications such as *Australian Bartender* and latinamericanpost.com describing the differences between Peruvian and Chilean pisco, and the disagreements between the two countries over the use of the name. Exhibit 8 and 9 show awards won by Chilean pisco. Exhibit 10 contains articles related to activities in the EU (including Poland, Spain, the UK, Belgium and Sweden) and other countries to promote Chilean pisco. In the UK, the highlighted events are Chilean Pisco Week in September 2016, consisting of promotions in London bars and publicised in the magazine *Time Out*, and a promotional event in the Chilean Embassy in London in the same month aimed at importers, distributors and the specialist press.

Opponent's evidence in reply

24. The opponent's evidence in reply comes from Mr Oswaldo del Aguila, Head of Business Affairs and Deputy Head of Mission at the Peruvian Embassy in the United Kingdom. His witness statement is dated 12 September 2019.

⁵ See Exhibits 3 and 4.

25. Mr Aguila states that Peru is:

“the exclusive right holder of the Appellation of Origin Pisco. For Peru, the only Pisco that exists is the one produced in our territory in accordance with the technical regulations contained in the Regulation of the Appellation of Origin Pisco.”⁶

26. He adds that Chilean pisco does not enjoy the protection of a PGI in the EU, as the indication is only recognised at a political level through the Association Agreement, whereas Peruvian pisco is protected via the 2013 Regulation, which amends the 2008 Regulation. The rest of the witness statement comprises a lengthy account of the history of Peruvian pisco.

27. Exhibit OA1 provides details of promotional activities in the UK. These are as follows:

- An 18m² stand at the Imbibe Live Fair, described in the exhibit as “London’s most important speciality spirits fair” in July 2016, July 2018 and July 2019. The target group for this event comprises bartenders and distributors.
- London Pisco Week (previously London Pisco Sour Week), held in the first week of February between 2015 and 2019. The exhibit states that the first event was attended by 10 Peruvian bars and restaurants and currently more than 30 establishments are involved. In 2019, nearly 1000 people registered for the event via Eventbrite so they could access the offers made by participating venues. The target group for this event is the end-consumer.
- London Cocktail Week, held in the first week of October between 2015 and 2019. The exhibit states that 300 bars in London are involved and that “Ocex London manages the promotion of pisco through bars that choose pisco-based cocktails as their ‘Signature Cocktail’”. It is not, however, clear how many bars chose to do this. The target group is the end-consumer.
- Master-class held between 2014 and 2019. The text explaining this event is in Spanish and has not been translated

⁶ Paragraph 4.

28. The rest of the exhibit contains tweets from the Peruvian Trade and Investment Office in the UK showing promotional activities, including some of the events listed above. Most do not bear full dates, so it is unclear to which year they relate. There is also a tweet from Time Out London, dated 6 February 2017, marking London Pisco Sour Week.

29. Exhibit OA2 gives figures for imports of Peruvian pisco to the UK since 1994. The table below consolidates the figures for multiple suppliers:

Year	Weight (kg)	Value (US \$)
1994	620	1,650.00
1996	990	3,337.50
1998	1,069.48	3,152.67
1999	40.02	58.50
2002	598.3	2,345.00
2003	476.95	1,836.35
2004	729.2	5,146.64
2005	13,893.47	81,370.46
2006	483.65	2,415.80
2007	323.88	1,653.80
2008	517.87	3,686.45
2009	4575.94	36,911.60
2010	176.4	1,320.00
2011	9,688.28	44,837.10
2012	26,206.43	154,947.15
2013	18,299.88	117,239.76
2014	51,605.26	368,543.18
2015	55,451.12	309,281.79
2016	57,242.19	340,395.56
2017	54,409.47	251,776.77
2018	55,339.40	317,217.04

30. It is difficult to compare these figures with those given by Mr Schuler Rauch in his witness statement, as the quantities of goods exported to the UK are given in weight, rather than volume. The table below shows them alongside the figures attributed in Exhibit OA2 to his company. It will be seen that, although the figures for 2016 are the same, there are large differences between those for 2014 and 2015.

Year	Witness statement (Litres)	Exhibit OA2 (kg)
2014	3,192	8,530
2015	3,360	6,455
2016	5,670	5,670

DECISION

Section 3(4)

31. Section 3(4) of the Act is as follows:

“A trade mark shall not be registered if or to the extent that its use is prohibited in the United Kingdom by any enactment or rule or law or by any provision of EU law other than law relating to trade marks.”

32. The opponent claims that use is prohibited in the United Kingdom by Article 16 of the 2008 Regulation, which provides that:

“Without prejudice to Article 10,⁷ the geographical indications registered in Annex III shall be protected against:

(a) any direct or indirect commercial use in respect of products not covered by the registration in so far as those products are comparable to the spirit

⁷ Article 10 of the 2008 Regulation covers use of the GIs in relation to foodstuffs and diluted spirit drinks.

drink registered under that geographical indication or insofar as such use exploits the reputation of the registered geographical indication;

(b) any misuse, imitation or evocation, even if the true origin of the product is indicated or the geographical indication is used in translation or accompanied by an expression such as 'like', 'type', 'style', 'made', 'flavour' or any other similar term;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities on the description, presentation or labelling of the product, 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.”

33. “Pisco” is, as I have already noted, included in Annex III of the 2008 Regulation thanks to the 2013 Regulation. This might suggest that the registration would indeed be prevented under Article 16(a). However, the 2013 Regulation also added the following footnote to Annex III:

“The protection of the geographical indication ‘Pisco’ under this Regulation shall be without prejudice to the use of the name ‘Pisco’ for products originating in Chile protected under the Association Agreement between the Union and Chile of 2002.”

34. The opponent submits that “Pisco” can only refer to a Peruvian spirit and Mr del Aguila appears to say that a PGI cannot be protected by a trade agreement:

“It worth remember [sic] that a trade agreement does not entitle a national intellectual property authority to develop actions against those who attack them, because that authority would require a file describing the technical specifications and all characteristics of quality and reputation of said geographical indications, which should have been presented before it for evaluation and registration. Without this technical file registered by the

aforementioned national intellectual property office, there is no legally recognized geographical indication. Chile, unlike our country, has not requested the registration of an alleged geographical indication 'pisco' in its favor [sic] in the territory of the European Union. On the other hand, our country has recognized Pisco as a Peruvian geographical indication not only through the Multiparty Agreement (the EU form one part and Peru, Colombia and Ecuador form the other) but also by the subsequent registration before the European Commission, by Regulation (EU) No. 1065/2013, of 30 October 2013, which amends Annex III of Regulation (EC) No. 110/2008.”⁸

35. I find this interpretation curious. Under Article 5(1) of the Agreement on Trade in Spirit Drinks and Aromatised Drinks (“the Chile Agreement”),⁹ the parties agree to:

“... take all necessary steps in accordance with this Agreement to ensure mutual protection exclusively for the names referred to in Article 6 used for describing and presenting spirit drinks that, within the meaning of Article 3, originate in the Parties.”

36. Those names include “Pisco”, which is categorised as a fruit spirit. Nowhere does the agreement say that protection of a Chilean PGI is dependent upon registration within the EU. The parties agree to offer mutual protection to each other’s PGIs. Attached to the applicant’s witness statement is Chilean Executive Order Law 181 of 1931 which designated “Pisco” as an appellation of origin.¹⁰ Furthermore, the issue here is not whether the EU has protected the Chilean PGI against misuse in the EU, but whether the EU’s protection of the Peruvian PGI applies to the use of “Pisco” in the EU in relation to goods covered by the Chilean PGI. The answer to this is clear from the footnote to the 2013 Regulation quoted in paragraph 33: it does not.

37. The opponent’s next line of attack is that:

⁸ Paragraph 5.

⁹ Annex VI of the Association Agreement between the European Union and Chile of 2002.

¹⁰ Exhibit 4.

“There is no right under the [2008] Regulation or otherwise to register a mark which contains a protected geographical indication. In this regard, it must be taken into account that registering a trade mark implies the acquisition of a monopoly, a *ius prohibendi*. However, the right to prohibit the use of a protected geographical indication, either on its own or accompanied by other elements, should correspond, exclusively, to the managing body for the geographical indication and not to particular business operators.”¹¹

38. The relationship between trade marks and geographical indications is dealt with in Article 23 of the 2008 Regulation:

“1. The registration of a trade mark which contains or consists of a geographical indication registered in Annex III shall be refused or invalidated if its use would lead to any of the situations referred to in Article 16.

2. With due regard to Community law, a trade mark the use of which corresponds to one of the situations referred to in Article 16 which has been applied for, registered, or established by use, if that possibility is provided for by the legislation concerned, in good faith within the territory of the Community, before either the date of protection of the geographical indication in the country of origin or before 1 January 1996, may continue to be used notwithstanding the registration of a geographical indication, provided that no grounds for its invalidity or revocation exist as specified by the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks or Council Regulation (EC) No. 40/94 of 20 December 1993 on the Community trade mark.

3. A geographical indication shall not be registered where, in the light of a trade mark’s reputation and renown and the length of time it has been used

¹¹ Paragraph 9.

in the Community, registration is liable to mislead the consumer as to the true identity of the product.”

39. It will be seen that, contrary to the submission of the opponent, it is possible to register a trade mark containing or consisting of a geographical indication, subject to none of the situations set out in Article 16 arising. As “Pisco” is used for certain products originating in Chile, and the specification of the applied-for mark has been amended to cover only those products, registration would not be prevented by the 2008 Regulation. The opposition under section 3(4) fails.

Section 3(3)(b)

40. Section 3(3)(b) of the Act is as follows:

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

...

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

41. In *TWG Tea Company Pte Ltd v Mariage Frères SA*, BL O/358/17, Mr Phillip Johnson, sitting as the Appointed Person, conveniently summarised the case law as follows:

“(a) it is necessary to establish that the mark will create actual deceit or a sufficiently serious risk that the consumer will be deceived: C-87/97 *Consorzio per la tutela del formaggio Gorgonzola*, ECLI:EU:C:1999:115, paragraph 41; C-259/04 *Emanuel*, ECLI:EU:C:2006:2015, paragraph 47; C-689/15 *W.F. Gözze Frottierweberei*, EU:C:2017:434, paragraph 54;

(b) the deception must arise from the use of the mark itself (i.e. the use per se will deceive the consumer): *Gorgonzola*, paragraph 43; *Emanuel*, paragraph 49; *Gözze Frottierweberei*, paragraph 55;

(c) the assessment of whether a mark is deceptive should be made at the date of filing or priority date and so cannot be remedied by subsequent corrective statements: *Axle Associates v Gloucestershire Old Spots Pig Breeder's Club* [2010] ETMR 12, paragraph 25 and 26;

(d) the deception must have some material effect on consumer behaviour: *CFA Institute's Application* [2007] ETMR, paragraph 40;

(e) where the use of a mark, in particular a collective mark, suggests certain quality requirements apply to goods sold under the mark, the failure to meet such requirements does not make use of the mark deceptive: *Gözze Frottierweberei*, paragraphs 57 and 58;

(f) only where the targeted consumer is made to believe that the goods and services possess certain characteristics which they do not in fact possess will the consumer be deceived by the trade mark: T-248/05, *HUP Usługi Polska v OHIM*, ECLI:EU:T:2008:396, paragraph 65;

(g) where a mark does not convey a sufficient specific and clear message concerning the protected goods and services or their characteristics but, at the very most, hints at them, there can be no deception in relation to those goods and services: *HUP*, paragraph 67 and 68; T-327/16, *Aldi v EUIPO* ECLI:EU:T:2017:439, paragraph 51;

(h) once the existence of actual deceit, or a sufficiently serious risk that the consumer will be deceived, has been established, it becomes irrelevant that the mark applied for might also be perceived in a way that is not misleading: T-29/16 *Caffè Nero Group v EUIPO*, ECLI:EU:T:2016:635, paragraph 48;

(i) where a trade mark contains information which is likely to deceive the public it is unable to perform its function of indicating the origin of goods:

T-41/05 *SIMS – École de ski internationale v OHIM*, EU:T:2991:200, paragraph 50; *Caffè Nero*, paragraph 47.”¹²

42. I find there to be no evidence of actual deceit. “Pisco” is a name that, under EU law, may be used for alcoholic beverages originating in Chile and these are the goods in respect of which registration is sought. I must therefore go on to consider whether there is a sufficiently serious risk of the consumer being deceived in the future as to the geographic origin of the goods.

43. In this instance, the consumer is a member of the general public over the age of 18 who buys alcoholic drinks to consume in licensed premises such as a bar or restaurant or for later consumption, perhaps at home. The goods will also be bought by trade customers, such as bar and restaurant owners, who decide what drinks to sell in their establishments.

44. The mark is figurative and the consumer will see it either on the goods themselves or in promotional material. It consists of a black shape, which is reminiscent of a label that might be placed on the neck of bottle. On the shape, in large white letters, is the number “1733”. It is this element which is most noticeable and, to my mind, the consumer will interpret this as a date. At the top, under a bronze-coloured star, is the word “PISCO” in white capital letters which are smaller than the numbers. At the bottom of the mark, in letters that are smaller still, are the words “PISCO ESPECIAL”. The message that the mark conveys is that the beverage comes from a long-established business. On the face of it, there is no geographic message.

45. However, the opponent submits that the relevant consumer is aware that Pisco comes from Peru and I have already noted that it is the opponent’s position that Pisco can come from nowhere else. Consequently, it submits, the mark will be understood as denoting a Peruvian spirit. It continues:

“Whether or not the mark of the Application might conceivably be put to non-deceptive use does not exclude the application of Section 3(3)(b) where the

¹² Paragraph 84.

use of the mark for goods not of Peruvian origin would clearly deceive at least some of the relevant consumers in the UK who associate the term Pisco with the spirit drink from Peru.”¹³

46. The opponent has adduced evidence of promotional activities within the EU, including in the UK. What is not clear is the reach of these activities. I have already commented on the difficulties of interpreting the import figures. In my view, the case that the relevant consumer would associate the term “Pisco” with Peru is far from made. Consequently, I find that the trade mark would not be of such a nature as to deceive the public. The opposition under section 3(3)(b) fails.

Conclusion

47. The opposition has failed. The application by Sociedad Anónima Viña Santa Rita may proceed to registration in respect of the following goods:

Class 33

Alcoholic beverages [except beer]; pisco; all of the aforesaid goods being of Chilean origin and complying with the protected geographical indication “PISCO”, protected under the agreement between the European Union and Chile of 2002.

Costs

48. The applicant has been successful and is entitled to a contribution towards its costs in line with the scale set out in Tribunal Practice Notice 2/2016. In the circumstances I award the applicant the sum of £1800 as a contribution towards the cost of these proceedings. The sum is calculated as follows:

Preparing a statement and considering the other side’s statement: £400

Preparing evidence and considering and commenting on the other side’s evidence: £1000

Preparation of submissions in lieu of a hearing: £400

¹³ Opponent’s written submissions in lieu of a hearing, paragraph 21.

Total: £1800

49. I therefore order Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual to pay Sociedad Anónima Viña Santa Rita the sum of £1800. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the appeal proceedings if any appeal is unsuccessful.

Dated this 10th day of February 2020

**Clare Boucher
For the Registrar,
Comptroller-General**