O/1216/24

TRADE MARKS ACT 1994

IN THE CONSOLIDATED MATTERS OF

UK TRADE MARK APPLICATIONS

IN THE NAME OF MEZQUILA USA, LLC –

NO. 3701352:

AND

NO. 3702083: SEÑOR DE LOS CIELOS

IN RESPECT OF GOODS IN CLASS 33

-AND-

OPPOSITIONS THERETO UNDER Nos. 433834 AND 433836 BY TELEMUNDO NETWORK GROUP LLC

BACKGROUND AND PLEADINGS

1. Mezquila USA, LLC ("**the Applicant**") has filed two UK trade mark applications as follows:

   i. trade mark application number 3701352 ("**the RDS Application**") for this device:

   

   The RDS Application was filed on 27 September 2021, pursuant to Article 59 of the Withdrawal Agreement between the United Kingdom and the European Union, and claims a priority date of 6 November 2019 from EU trade mark registration number 18147715;

   and

   ii. trade mark application number 3702083 ("**the SDLC Application**") for the words 'SEÑOR DE LOS CIELOS', which was filed on 28 September 2021 and claims a priority date of 19 September 2019 from EU trade mark registration number 18126346.

   Under both Applications, the Applicant seeks registration for goods in Class 33, namely: *alcoholic beverages; distilled agave liquor (tequila)* ("**the Applicant's Goods**").

2. Telemundo Network Group LLC ("**the Opponent**") opposed both Applications on 25 May 2022. The two oppositions have been consolidated.

Opposition against the RDS Application

3. The RDS Application is opposed under **sections 3(6)** and **5(4)(a)** of the Trade Marks Act 1994 ("**the Act**").

Passing off objection

4. The Opponent produces a television programme, first released in February 2011, called "La Reina del Sur" ("**LRDS**"). Under **section 5(4)(a)** of the Act, the Opponent claims to have used the LRDS sign in respect of that television series throughout the UK since 2011,[1] giving rise to goodwill and an Earlier Right such that use of the contested RDS Application would be actionable under the law of passing off.

Bad faith objection

5. For its **section 3(6)** claim, the Opponent contends that the Applicant, through its Chief Executive Officer and shareholder Carlos Alberto Agnesi Lopez ("**Mr Agnesi**"):

   i. was aware of the existence of the LRDS television series long before the date on which the Applicant applied for its UK trade mark (27 September 2021);

   ii. has previously stated on a website associated with the Applicant that '*he saw the name of the television series LA REINA DEL SUR as an opportunity to use it on tequila*';

   iii. knew that consumers would associate the Applicant's Goods with the LRDS television series or was '*intending to obtain an unlawful "leg up"*' based on its fame and reputation; and

   iv. by choosing to file the RDS Application, the Applicant acted dishonestly and fell short of standards of acceptable commercial behaviour.

1 Form TM7, Section C, Q1.

Opposition against the SDLC Application

6. The SDLC Application is again opposed under **sections 3(6)** and **5(4)(a)**, but additionally under **section 5(3)** of the Act.

Passing off objection

7. The Opponent produces and has copyright in a Spanish-language television programme, first released in April 2013, called "El Señor de los Cielos" ("**ESDLC**"). Under **section 5(4)(a)**, the Opponent claims goodwill in respect of TV drama entertainment services and an Earlier Right such that use of the contested SDLC Application would be actionable under the law of passing off.

Bad faith objection

8. The **section 3(6)** claim against the SDLC Application is framed in terms comparable to the basis of the RDS bad faith claim.

Reputed Earlier Mark objection

9. Under **section 5(3)** of the Act, the Opponent relies on UK trade mark registration number 916493975 ("**the Earlier Mark**") for the word mark 'EL SEÑOR DE LOS CIELOS', which was filed on 21 March 2017, claiming a priority date of 21 September 2016 from US trade mark registration No. 87/179185, and which is registered for the following services in Class 41 ("**the Class 41 Services**"):

entertainment services, namely, a multimedia program series featuring drama distributed via various platforms across multiple forms of transmission media; entertainment services in the nature of providing non-downloadable images and videos featuring drama provided via global computer networks, wireless communication networks, and portable device applications; providing information related to dramatic entertainment via global computer networks, wireless communication networks, and portable device applications.

10. Under section 5(3) of the Act, the Opponent claims that the Earlier Mark had a *"vast reputation and goodwill in the United Kingdom and around the world as a result of the international success and reputation of its TV series*" and that consumers, on seeing the Applicant's SDLC Mark on the applied-for goods will immediately establish a link to the Opponent's TV series. It claims that this will take unfair advantage of and cause damage to the distinctive character and reputation of the Earlier Mark.

Defences

11. The Applicant filed defences and counterstatements denying all of the grounds and putting the Opponent to strict proof of its claims. The Applicant denies:

- that the contested trade mark applications were made in bad faith,
- that the Opponent had goodwill and/or reputation in its marks in the UK;
- that the Opponent had generated enforceable use-based rights in the UK;
- that use of the Applicant's marks in respect of the Contested Goods in the UK would be deceptive.

Representation, papers filed and hearing

12. The attorneys for the Applicant are Gunnercooke LLP; the attorneys for the Opponent are A&O Shearman. Both sides filed evidence and made submissions during the evidence rounds. An oral hearing took place on 9 November 2023, which included cross-examination of Mr Agnesi. David Stone (of A&O Shearman) attended for the Opponent; Jamie Muir Wood of Counsel attended for the Applicant. Both sides filed helpful skeleton arguments in advance of the oral hearing. I have read all the papers filed and refer to their contents to the extent I consider it warranted to do so.

The Relevant Dates

13. For the relative grounds claims under sections 5(3) and 5(4)(a), the parties agree that the assessments of reputation and goodwill are to be considered as at the priority

dates of the RDS and SDLC Applications, namely: 6 November 2019 and 19 September 2019 respectively ("**the Relevant Dates**").

14. With regard to the assessment in respect of the section 3(6) claim, the Opponent submits that, for the purpose of assessing bad faith, the differentiation between the Relevant Dates and the UK application dates (namely 27 September 2021 and 28 September 2021) is immaterial, as bad faith was evident throughout all material dates.[2] It is my view that the relevant dates for determining whether the UK trade mark Applications are liable to be refused on absolute grounds under section 3 of the Act are the actual filing dates of the Applications in the UK.

THE EVIDENCE

The Opponent's evidence

(i) First witness statement of Karen Barroeta dated 14 October 2022 (**Barroeta 1**);

(ii) Exhibits KB1 through KB39;

(iii) Second witness statement of Karen Barroeta dated 8 April 2023 (**Barroeta 2**); and

(iv) Exhibits KB40 through KB49.

The Applicant's evidence

(i) Witness statement of Carlos Alberto Agnesi Lopez dated 6 February 2023 (**CAAL**);

(ii) Exhibits CAAL1-5.5; and

(iii) Legal submissions by Deborah Niven dated 6 February 2023 together with appendixes 1 - 5.4.

2 Opponent's Skeleton Argument.

Mr Agnesi's oral evidence

15. The Opponent had been permitted to cross-examine Mr Agnesi with regard to what he knew when he filed the Contested Applications and his motivations in doing so. Mr Agnesi is not a native-speaker of English, but the content of his testimony was clear and did not strike me as evasive. Mr Stone submitted that Mr Agnesi was dishonest in aspects of the evidence he gave under oath. I will comment on those submissions later in this decision to the extent I consider warranted, when dealing with the section 3(6) claims.

16. The following points from the evidence provide context, primarily with regard to the assessment of the bad faith claims:

(i) Mr Agnesi is an actor who has appeared in various Spanish-language television series, which include a TV series called "Señora Acero" in 2014, 2015, 2016 and 2017, produced by a company called Argos for Telemundo Global Studies;[3]

(ii) Mr Agnesi also owns and runs Mezquila USA, LLC (the Applicant). He set up the company, which produces tequila, with the assistance and technical know-how of his childhood friend, Enrique Legorretta, who has been making tequila for many years, and whose father held a senior role in the Cuervo Mexican tequila distillery business;

(iii) Mr Agnesi chose the names of his two tequila offerings and filed the SDLC and RDS trade marks in the USA in 2017. The US trade marks in respect of tequila do not appear to have been opposed,[4] nor did the Opponent refer to any legal action in the USA. It appears that the Applicant's US trade marks in respect of tequila remain current;[5]

3 **Exhibit KB3** page 25, and Mr Agnesi's oral testimony. Mr Agnesi appeared in an at least one other Telemundo TV series.

4 Paragraph 21 of Mr Agnesi's witness statement prefers to the peaceful coexistence of the parties trademarks for more than four years, since December 2018 (SDLC) and August 2020 (RDS).

5 Mr Muir Wood referred to this at the hearing and accords with Mr Agnesi's witness statement.

(iv) Mr Agnesi founded his company on 9 May 2018, and launched sales of its SDLC-branded tequila in the US in November 2018; US sales of its RDS-branded tequila appear to have started in August 2020;

(v) By 2017, when the US trade marks were filed, the Opponent's TV series El Señor De Los Cielos had been running since 2013 – though I will return to its availability and presence to the UK. Mr Agnesi admitted in cross-examination that he was, by that time, aware of the existence of both TV programmes and of the novel called La Reina del Sur;

(vi) Mr Agnesi filed trade marks in other countries, including Colombia and Mexico, which are important markets for the Applicant's tequila goods. Telemundo has repeatedly successfully opposed the trade mark applications in both those countries;

(vii) The Applicant applied in September and November 2019 for trade mark protection in the EU. There it overcame opposition by the Opponent, with the EUIPO rejecting its claimed reputation in respect of its earlier ESDLC trade mark.[6] After the UK left the EU in 2020, the Applicant applied, at the end of September 2021, seeking trade mark protection in the UK;

(viii) **Exhibit KB18** shows an extract from the website of senordeloscielostequila.com, from 2019 featuring a photograph of Mr Agnesi, alongside the following text:

"*Originally from Jalisco, the land of Tequila and working as an actor in several series and novels,* [sic] *both on television and digital platforms, Alberto Agnesi saw an opportunity and interest in these characters. Then he took it to a product.*

6 Appendix/**Exhibit CAAL1** – opposition to the SDLC Application, rejected by decision of the Opposition Division, dated 13 July 2021.

We are a Mexican company that was born in 2017 with trends in social networks, television series and controversies concerning the world of action, fiction and controversy."

(ix) **Exhibit KB22** comprised extracts, seemingly from October 2022, showing use of the Applicant's social media: 7 pages of Facebook images from the account of "SenordloscielosTequila" (showing 995 followers); 4 pages of Instagram pages from the account of "senordloscielostequila" (showing 14k followers and 99 posts total); 5 pages from Twitter (@TequilaSDLC). One of those 16 pages of exhibits shows the words "*Intro We are a Mexican company that was born in 2017 with trends in social networks, television series, …"* at which point the text cuts off.

(x) 'El Señor de los Cielos' was the nickname of a Mexican drug lord called Amado Carrillo Fuentes, who died in 1997.[7] It translates from Spanish both as "The Lord of Heaven", and as "Lord of the Skies", the latter in reference to Señor Fuentes' use of a fleet of planes for trafficking purposes.[8] The protagonist of the TV series is called Aurelio Casillas, a fictional character.

(xi) 'La Reina del Sur' is Spanish for Queen of the South,[9] and is the name of a novel by Arturo Perez Reverte, on which the Opponent's TV series is based. It is also a sobriquet that has been applied to several prominent female drug traffickers.[10] For instance, the Opponent's **Exhibit KB45**, states that while the book is a work of fiction, its author took inspiration from the story of the real-life female drug lord Marllory Chacón.

(xii) Mr Agnesi states that he did not authorise use of the text shown at point (viii) above (**Exhibit KB18**),[11] which had been present on the SDLCTequila website

7 **Exhibit CAAL3.**
8 **Exhibit CAAL3** and **Exhibit CAAL4.1**.
9 Queen of the South is the name of the English-language re-make version of the same series.
10 **Exhibit KB45A**.
11 CAAL Witness Statement at paragraph 19.

between at least 10 December 2019 and 2 December 2020. Mr Agnesi stated that the text is contrary to his wish to keep the work of his tequila enterprise separate from his acting work.

(xiii) He stated to the effect that his motivation for choosing the names was to reorientate the negative associations of the name phrases, away from drug traffickers and toward his company's tequila.

DECISION OUTLINE

17. As is apparent from the particulars of the bad faith claim that I set out at paragraph 5 above, there is a degree of interplay between the section 3(6) attacks and a determination of the Opponent's claimed reputation in respect of both of its TV programmes. The Applicant's defence position is that the Opponent has failed to prove its claimed actionable goodwill or reputation in the UK, and that in the absence of prior rights the bad faith case also fails. Mr Stone argued that such a position is wrong as a question of law.

18. In the section below headed "DECISION", I consider the Opponent's evidence in support of its claims under sections 5(3) and 5(4)(a), particularly in respect of the strength or existence of the claimed goodwill and reputation at the Relevant Dates in the UK.

19. Following on from my determination of the sections 5(3) and 5(4)(a) grounds I then deal with the section 3(6) bad faith claims, where I take due account of the contextual evidence outlined at paragraph 16 above, my findings in relation to the Opponent's claimed prior rights, and of Mr Stone's contention on the question of law.

20. First, though I set out below the legal provisions and general principles bearing on sections 3(6), 5(3) and 5(4)(a).

THE LAW

21. The parties agreed that the law in relation to sections 3(6), 5(3) and 5(4)(a) of the Act is well established.

Section 3(6) of the Act

22. Section 3(6) of the Act states:

> ***Absolute grounds for refusal of registration.***
>
> …
>
> *(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.*

23. Mr Muir Wood included in his skeleton argument the summary of the law on bad faith given in *SkyKick*,[12] points from which Mr Stone referred to during the hearing. In the Supreme Court judgment, Lord Kitchin revisited the principles from that passage.[13] The summary below is drawn from the judgment of Lord Kitchin, where I set out such parts as may be directly relevant to the facts of the present bad faith claim.

"240. The general principles are these:

(i) […]

(ii) The date for assessing whether an application to register an EU trade mark was made in bad faith is the date the application for registration was made (Lindt, para 35).

(iii) Bad faith in this context is an autonomous concept of EU law which must be given a uniform interpretation in the European Union, and must be interpreted in the context of Directive 89/104 in the same manner as in the context of Regulation 40/94 (Malaysia Dairy, para 29; Sky CJEU, para 73).

12 The summary given by Sir Christopher Floyd in the Court of Appeal *Sky Ltd* v. *SkyKick UK Ltd* [2021] EWCA Civ 1121; [2021] R.P.C. 17 at §67

13 SkyKick UK Ltd and another (Appellants) v Sky Ltd and others (Respondents) [2024] UKSC 36

(iv) While, in accordance with its usual meaning in everyday language, the concept of bad faith presupposes the presence of a dishonest state of mind or intention, the concept must also be understood in the context of trade mark law, which involves the use of marks in the course of trade. Further, it must have regard to the objectives of the EU law of trade marks, namely the establishment and functioning of the internal market, and a system of undistorted competition in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable consumers, without any possibility of confusion, to distinguish those goods or services from those which have a different origin (Lindt, para 45; Koton, para 45).

(v) Consequently, the objection will be made out where the proprietor made the application for registration, not with the aim of engaging fairly in competition but either (a) with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties; or (b) with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, and in particular the essential function of indicating origin (Koton, para 46; Sky CJEU, para 75).

(vi) The intention of the applicant is a subjective matter, but it must be capable of being established objectively by the competent administrative or judicial authorities having regard to the objective circumstances of the case (Hasbro, paras 39 and 40; Koton, para 47).

(vii) The burden of proving that an application for a registered mark was made in bad faith lies on the party making the allegation. But where the circumstances of the case may lead to a rebuttal of the presumption of good faith, it is for the proprietor of the mark to explain and provide a plausible explanation of the objectives and commercial logic pursued by the application for registration (Hasbro, paras 42 and 43).

(viii) Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all of the factors relevant to the particular case (Lindt, para 37).

(ix) The applicant for a trade mark is not required to indicate or to know precisely when the application is filed or examined, the use that will be made of it (Sky CJEU, para 76; Deutsches Patent-und Markenamt, para 22).

(x) Nevertheless, the registration by an applicant of a mark without any intention to use it in relation to the goods and services covered by the registration may constitute bad faith where there is no rationale for the application in the light of the aims referred to in Regulation 40/94 and Directive 89/104 (Sky CJEU, para 77).

(xi) Such bad faith may, however, be established only where there are objective, relevant and consistent indicia tending to show that, when the application was filed, the applicant for registration had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark (Sky CJEU, para 77).

(xii) It follows that the bad faith of the applicant cannot be presumed on the basis of a mere finding that, at the time of filing the application, the applicant had no economic activity corresponding to the goods and services referred to in the application (Sky CJEU, para 78).

(xiii) […]
(xiv) […]
(xv) […]”

24. I note too that the Opponent referred in its statement of grounds to the case of World Cup Willie,[14] where "the High Court held that knowledge of prior goodwill (actually, residual goodwill) led to a finding of bad faith where the applicant, despite not thinking it was doing anything wrong, had made its trade mark application in bad faith."

Section 5(3) of the Act

25. Section 5(3) of the Act states:

> **Relative grounds for refusal of registration.**
> …
> (3) A trade mark which—
>
> (a) is identical with or similar to an earlier trade mark, and
>
> (b) shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

26. The relevant case law principles can be found in the following judgments of the CJEU: Case C-375/97, *General Motors Corp v Yplon SA* [2000] RPC 572; (CJEU), Case 252/07, *Intel Corporation Inc v CPM United Kingdom Ltd* - [2009] RPC 15; Case C-408/01, *Adidas-Salomon AG v Fitnessworld Trading Ltd.* [2004] ETMR 10, Case C-487/07, *L'Oreal SA and others v Bellure NV and others* - C-487/07and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM.* The law appears to be as follows:

(i) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24.*

14 (Jules Rimet Cop Ltd v Football Association Ltd [2008] FSR 10).

(ii) The trade mark for which protection is sought must be known by a significant part of that relevant public; G*eneral Motors, paragraph 26.*

(iii) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas-Saloman, paragraph 29* and *Intel, paragraph 63.*

(iv) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42.*

(v) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68;* whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79.*

(vi) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77.*

(vii) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74.*

(viii) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(ix) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure).*

Section 5(4)(a) of the Act

27. Section 5(4)(a) of the Act states:

> **Relative grounds for refusal of registration.**
>
> (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,
>
> …
>
> 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.

28. It is settled law that for a successful finding of passing off, three factors must be present: goodwill, misrepresentation and damage. Her Honour Judge Melissa Clarke, sitting as Deputy Judge of the High Court, conveniently summarised the essential requirements of the law in *Jadebay Limited, Noa and Nani Limited (trading*

as The Discount Outlet) v Clarke-Coles Limited (trading as Feel Good UK) [2017] EWHC 1400 IPEC

"55. The elements necessary to reach a finding of passing off are the 'classical trinity' of that tort as described by Lord Oliver in the *Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341 HL)* namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all these limbs.

56. In relation to deception, the court must assess whether 'a substantial number' of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

29. Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309, it is noted (with footnotes omitted) that

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances

In assessing whether confusion of deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

DECISION

30. The following points appear to be common ground between the parties and relevant in respect of both contested Applications.

Relevant public

31. The relevant public is the public at large, who both consume television series and tequila – at least those of legal age to consume alcohol. There was some difference between the parties with regard to the degree of attention likely to paid by the relevant public either choosing a television series or purchasing a bottle of tequila. Mr Stone referred to the potential for television programmes on Netflix to be in some degree self-selecting as there is a capacity for a programme to be automatically promoted, or

even started up, based on previous viewing choices. He referred to the impact of inebriation on the purchasing process, for instance on a night out at a bar or club. Overall, I would estimate the degree of attention as no more than medium, though I agree with Mr Muir Wood's suggestion that the degree of attention is anyway of limited significance in the present case.

Degree of similarity of signs

32. The parties' signs differ in the absence of the words 'EL' and 'LA 'in the Applications. In their word elements, they are what Mr Stone called "relevantly identical". There is a visual difference arising from the device in the RDS Application. I noted no use of a similar device in connection with the LRDS TV series, but I accept that the marks are highly similar overall.

Degree of similarity of goods and services

33. There is no similarity between the Goods and the Class 41 Services/a television series. There is no section 5(2)(b) claim and it is clear that the television entertainment services differ from tequila in nature, purpose, method of use, and they are not complementary or in competition with each other. The overlap in user, being the general adult population, is insufficient to give rise to similarity. The channels of trade are also different - though I shall refer to the evidence filed by the Opponent, showing that a number of television programmes have produced tie-ins with drinks products. I also note that in order to succeed on the basis of a claim under section 5(3) or 5(4)(a) similarity of goods or services is not a requirement, though the distance between the respective fields of activity is a relevant factor in considering questions of link, unfair advantage, misrepresentation and damage.

34. I turn now to address the evidence in respect of each the two signs relied on by the Opponent, and to consider whether it establishes the claimed reputation and goodwill, and if so, to what degree.

The section 5(4)(a) claim against the RDS Application

35. To succeed in its section 5(4)(a) claim against the RDS Application, the Opponent must first establish that, at the Relevant Date (the priority dated of 6 November 2019), it had the benefit of actionable goodwill among the relevant consumers in the UK.

36. Goodwill is "the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguished an old-established business from a new business at its first start."[15] For there to be goodwill, there must be customers in the UK. The Opponent claims goodwill in respect of the Class 41 services set out earlier in this decision.

Goodwill associated LRDS?

37. The first witness statement of Ms Barroeta covered the following points.

38. Ms Barroeta states that LRDS was released by Telemundo in 2011 and refers to **Exhibit KB-8B**, which is an article dated 25 January 2021 published by Express.co.uk, the digital arm of the UK newspapers *Daily Express* and *Sunday Express*. The article is from after the Relevant Date, but discusses both LRDS and its English language remake, *Queen of the South*. The article states as follows:

"…. *La Reina del Sur has a similar format, so fans of the Queen of the South story can watch the telenovela on Netflix as well. […] La Reina del Sur is first shown on Telemundo in America and Puerto Rico. But Netflix then has the exclusive rights to air everywhere else around the world. Season two came out on Telemundo in April 2019 and was dropped on Netflix a few months later."*

39. Ms Barroeta states that all seasons of LRDS <u>are</u> available to stream in the UK on Netflix.[16] This is expressed in the present tense and does not reveal when the two

15 House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217
16 Barroeta 1 §29-30; Exhibits KB-8A to KB- 8C.

series first became available on Netflix accessible in the UK. The exhibit states that the second season appeared on Netflix "a few months" after April 2019, so probably just a few months before the Relevant Date.

40. The LRDS TV programme has received accolades and Ms Barroeta states that "many of these awards are known and watched by the UK public, and published by UK media, for example, the Emmy Awards, which most UK public will know." **Exhibit KB8**, which is the Wikipedia profile of the series, lists awards in 2011 and 2012, but it seems to me that the UK public would not be aware of these awards, which include, for example, TVyNovelas Awards Colombia. The Wikipedia entry also shows that in 2020 LRDS was the winner of the "*Best Non-English Language US Primetime Program*" award at the International Emmy Awards.[17] I accept that some of the UK public will be aware of the existence of the Emmy Award ceremonies, though I am not satisfied that any of its awards will register in the UK with particular significance, if at all. The Emmy award is after the Relevant Date, and does nothing to establish the existence of goodwill in the UK at the Relevant Date.

41. Ms Barroeta states that "The series LA REINA DEL SUR has been reported widely in international media, including Forbes magazine..". Ms Barroeta acknowledges that Forbes is a US-based magazine, but states that it is widely accessible and read by UK consumers.

42. **Exhibit KB-10** is an April 2019 article from Forbes magazine, by an "expert in the Hispanic media industry" titled "*'La Reina Del Sur' Debuts At No. 1 At 10 P.M., Beating Univision, CBS, ABC, NBC And Fox In Key Demos*". The article begins with the following description: "*Viewers flocked to catch the first episode of the long-awaited sequel to Telemundo's La Reina del Sur - the groundbreaking and immensely popular series that shattered the network's ratings records in 2011. It looks like the huge investment in the sequel - its most ambitious series to date - has paid off."* It continues to describe the series as follows: *"The premiere of La Reina del Sur was a big hit, reaching a cumulative audience of almost three million total viewers. It ranked as the*

17 Barroeta 1 §31; Exhibit KB-8.

No. 1 broadcast television show in the U.S. at 10 p.m. among the coveted demographic of adults 18-49, averaging 1.26 million viewers - more than double Univision's audience. Reina even outperformed English-language shows on CBS and ABC in that timeslot and was the No. 1 broadcast television program regardless of language among adults 18-34 (495K) in overall primetime, according to Nielsen."

43. I accept that this article indicates some significant success achieved by LRDS. However, it is also clear that the Forbes article is concerned with the US audience. The US has a population of over 300 million people, including a significant Hispanic population. Though I accept that some people in the UK read Forbes magazine and some of those will have read this article, the Forbes article contributes very little towards establishing the goodwill claimed in the UK at the Relevant Date.

44. Ms Barroeta refers to the official Facebook page for La Reina del Sur, which by October 2022 had approaching 4 million followers, and to 738,000 followers on Instagram. I note that the social media figures are from well after the Relevant Date, that the content is in Spanish, and that there is no indication whether any of the followers are from the UK, nor any reason why any significant numbers would be from the UK, which is not a natural target audience for a Spanish-language telenovela.

45. Ms Barroeta concludes that the evidence of her first witness statement and its exhibits shows that "consumers have come to recognise a goodwill in the La Reina del Sur franchise and the Earlier Rights that goes beyond TV entertainment." I do not agree with that view; I am not satisfied that the evidence of the first witness statement establishes goodwill in the UK even in respect of the TV series, still less "Earlier Rights ..beyond TV entertainment." However, Ms Barroeta filed a second witness statement, which provides more information, although I note that the second round of evidence is unclear as to whether it concerns the presence of the TV series in the UK at the Relevant Date. I set out below further direct extracts from the evidence that illustrate the ambiguity that concerns me.

46. Ms Barroeta repeats that the Opponent has produced the LRDS TV series since 2011 and that all (three) seasons are available to stream on Netflix UK. This fails to clarify

when LRDS was first available on Netflix in the UK. She does, however, state that the second season of LRDS was made available in the UK in August 2019 – so approximately 3 months before the Relevant Date.

47. Ms Barroeta refers to **Exhibit KB43A**, which she states shows: "*the 2019 Netflix viewership data for La Reina del Sur that our research team obtained from PlumResearch, a third-party source that tracks SVOD (subscription video-on-demand) viewing, which is widely used in the industry. ….. Exhibit KB43A shows that in 2019, 327,254 unique profiles watched the series La Reina del Sur almost in the top quarter (26.2%) of all Netflix series in 2019. Due to the long list of rankings (2601 series in total), I have not exhibited the entire list, but only the rankings immediately before and after La Reina del Sur, as well as the last ten in the ranking, in order to evidence the percentile ranking of La Reina del Sur mentioned*." The exhibit shows LRDS ranked at position 683 for 2019.

48. Ms Barroeta continues: "***Exhibit KB43B**, provides the ranking data using the same metrics, but for the month of September 2019 only. As shown, in September 2019 alone, La Reina del Sur had 117, 681 unique profiles watching, placing the series in the top 10.6% of all Netflix series that month, with a ranking of 206 out of the total of 1939 series. This placed la Reina del Sur in a higher ranking than other well-known programmes such as BBC dramas The Bodyguard and Line of Duty, the animated series Bojack Horseman, and numerous other famous TV programmes such as Mad Men, White Collar, After Life, the Haunting of Hill House, Better Call Saul etc. Again, due to the page limit and the long list of rankings (over 1900 series), I do not propose exhibiting the entire list, but have included only those immediately preceding and succeeding La Reina del Sur in the rankings list, as well as the last ten in the rankings list, for comparison purposes."*

49. Ms Barroeta explains that, to be captured in the figures, a "profile" must watch a programme for at least two minutes. Ms Barroeta reasonably notes that each profile may have more than one person watching. I note that nowhere in the above quoted extracts does Ms Barroeta state that Exhibits KB43A or KB43B relate to the UK, nor do the exhibits themselves refer to the UK. However, assuming that the Netflix figures

do relate only to the UK, it seems to me that the account is an otherwise careful presentation of the information, intended – understandably – to create the most favourable impression of the popularity of LRDS in the UK. Whilst LRDS may have ranked higher than better known TV series such as *Better Call Saul* and *Mad Men*, I bear in mind that such series may have been long past their currency or peak popularity, or perhaps between seasons. Simply on the bare figures, it is not clear to me that 330,000 unique user views of at least two minutes in the course of a year represents an impressive degree of popularity – it is a very small proportion of the relevant consumer group. I agree with the submission by Mr Muir Wood that it would have been more enlightening to have been given the unique profile figures for the top portion of shows, to be able to compare those against the 683 and 206 rankings of LRDS. While I have noted Ms Barroeta's consciousness of page limitations in evidence before the tribunal, I also note that other pages of the exhibits manage to accommodate well over 50 lines identifying shows and their unique profile statistics, so to show the unique profile figures for, say, the top 100 shows would have required just 2 pages.

50. At **Exhibit KB44**, Ms Barroeta does provide LRDS viewing figures on Netflix that are expressly from the UK, but these are from December 2022 – early February 2023. Whatever the viewing figures are for that short later period of around two months – and I note that Ms Barroeta states there were "over 1.46 million views of the show in the UK" - since those figures are from some time after the Relevant Date, they tell me nothing about goodwill in the UK at the Relevant Date. As Mr Stone submitted, TV series do not become a success overnight, so at the Relevant Date - 2 or 3 years earlier than the figures given in **Exhibit KB44** - the position will have been different, as is borne out by Exhibits KB43A or KB43B (if those exhibits in fact relate to the UK).

51. While I take account of all of the evidence in the round, I find it difficult to find that the Opponent has demonstrated that it had actionable goodwill in the territory of the UK – as assessed at the Relevant Date – even in relation to a television series. The evidence is clear that season 2 of LRDS became available in the UK in August 2019, but is ambiguous about whether LRDS was accessible on Netflix in the UK at all before that. Even affording the Opponent the benefit of the doubt over whether KB43A and

KB43B relate to the UK, the figure of 117, 681 unique profiles in September 2019 suggests at most a very limited exposure to the LRDS TV series by the November Relevant Date.

52. If such unique profile figures are enough to demonstrate the existence of goodwill associated with the LRDS sign in the UK at all by the Relevant Date, then the degree of any such goodwill can at best be very modest indeed, and the scope of that goodwill certainly extends no further than a TV series.

Misrepresentation?

53. I have previously noted Ms Barroeta's submission that "consumers have come to recognise the Opponent's goodwill in the LRDS sign and Earlier Rights that go beyond TV entertainment." I repeat my disagreement with that submission; even if the Opponent's TV series had, by the Relevant Date, given rise to a goodwill among a very small proportion of the UK public, I find that no actionable misrepresentation arises.

54. I acknowledge the very high degree of similarity between the LRDS Sign and the mark under the RDS Application; I also acknowledge that, by virtue of their 'foreignness', the Spanish words "Reina del Sur" will be reasonably distinctive to a UK consumer, even if the phrase in translation – Queen of the South – is not especially distinctive. However, my finding that no misrepresentation arises is based on the first two factors listed in the case law set out at paragraph 29, namely, the (at best) weak nature and extent of the goodwill in the UK, and the very different fields of activity in which the parties carry on business.

55. The Opponent filed evidence that shows examples of spirits – whiskies and gins – having been marketed to tie in with particular films and television series. For instance, Johnnie Walker/Blade Runner, Sadler's/Peaky Blinders, Talisker/Game of Thrones, a gin inspired by Downton Abbey, and even a tequila, "Tres Commas", inspired by the US-comedy series Silicon Valley.[18] As Mr Muir Wood noted, what the evidence does

18 Exhibits KB33 – KB36.

not do is show the extent of the market or the period of time for which those tie-ins existed. Some of the examples post-date the Relevant Date and some appear to be US-focused, based on articles in US publications. The goodwill, reputation and power of attraction associated with the names of TV series such as Downton Abbey, Peaky Blinders and Game of Thrones are of orders of magnitude greater than may realistically be claimed for the LRDS Sign in the UK. The evidence is insufficient to bridge the considerable distance between the Applicant's tequila and a Spanish-language television programme of the same name, particularly in view of the (at best) very limited goodwill of the Opponent's TV series among UK customers. The Opponent has not established that 'a substantial number' of its UK customers would be deceived.

56. **Outcome:** In the absence of actionable goodwill or in the absence of misrepresentation, the opposition against the RDS Application fails insofar as it is based on section 5(4)(a) grounds.

The section 5(3) and 5(4)(a) claims against the SDLC Application

Reputation and goodwill of the Earlier Mark – "El Señor de los Cielos"

57. In his skeleton argument, Mr Stone submitted on behalf of the Opponent that "if reputation is proven, goodwill will also necessarily be established if there are customers in the UK (which there are)." I accept that premise. However, Mr Stone then submitted that "the reverse is also true", and that in the interest of procedural economy, his skeleton argument therefore refers only to the goodwill in the Prior Rights. He therefore directs his submissions to the existence of the Opponent's goodwill associated with the mark El Señor de los Cielos in respect of the television entertainment services specified in Class 41.

58. I have doubts about Mr Stone's submission that "the reverse is also true", which is to say that it is my view that proving goodwill based on customers in the UK does not necessarily establish reputation. The tests in law are different and it seems to me that to establish a reputation based on a registered trade mark, and the consequent

extended protection, is a more stringent task than establishing goodwill based on use of a sign in trade. However, I do not wish to overemphasise the point; I recognise that some of the case law in respect of 5(4)(a) refers both to "goodwill" and to "reputation". In any event, as will be seen from my consideration of the evidence below, I reject the claim that the Earlier Mark benefitted from a reputation for the purposes of section 5(3).

59. The *El Señor de los Cielos* television series was released in 2013, and has run for at least 8 seasons, and well over 610 episodes. Ms Barroeta states that the ESDLC programme became available to stream in the UK on Netflix in 2016. **Exhibit KB-2A** is an article dated 1 April 2022, published by Liverpool Echo Newspaper. The article lists all programmes about to be leaving Netflix, amongst which it states that "EL SEÑOR DE LOS CIELOS: Seasons 1-7 will be leaving Netflix on 29 April, 2022." (It is not explicitly stated that the programme was continuously available on Netflix in the UK between 2016 – 2022, though that may be the implication.) The article in the Liverpool Echo dates from long after the Relevant Date and is a generic article listing all television series leaving Netflix, rather than being focussed on the ESDLC.

60. Ms Barroeta also states that episodes of EL SEÑOR DE LOS CIELOS are also accessible to users in the UK via the Telemundo Novelas YouTube account. **Exhibit KB-2B** is a screenshot from Youtube showing one episode from EL SEÑOR DE LOS CIELOS with over 22 million views at 16 April 2013. This appears to relate to the first ever episode. It is not apparent that any of those views were from the UK public.

61. The ESDLC series has been recognised in numerous awards; it won the "Non-English Language US Primetime Program" award at the 2014 International Emmy Awards and was nominated for the same award in 2018. However, as I earlier found in respect of LRDS, these awards are not likely to have reached the awareness of the UK public.

62. Ms Barroeta states that "the series has been reported widely in international media, many of which are accessible and read by UK consumers", but the only example Ms Barroeta provides is another article in Forbes, published on 16 September 2019 (which happens to be the Relevant Date).

63. Barroeta refers to the official Facebook page for ESDLC, which by September 2022 had over 10.2 million followers, and to over 1.6 million followers on Instagram. As with the LRDS evidence, I note that the social media figures are from well after the Relevant Date and there is no indication whether any of the followers are from the UK, nor any reason why any significant numbers would be from the UK, which is not a natural target audience for a Spanish-language telenovela.

64. **Exhibit KB-4B** is an article by Parrot Analytics discussing the popularity of the ESDLC series in the UK as of 29 April 2020. The article states that the audience demand for ESDLC at that time was 0.8 times the demand of the average TV series in the UK, that the demand for ESDLC had increased in the UK by 14.9% since the preceding 30 days, and that ESDLC ranked 81.5% in the drama genre, which means it "*has a higher demand than 81.5% of all Drama titles in the United Kingdom."* In her second witness statement, Ms Barroeta explains that **Exhibit KB43** is a further extract from Parrot Analytics discussing the popularity of the ESDLC series in the UK as of 14 February 2023. Ms Barroeta lists the main points from Exhibit KB43 as follows:

- the series performance in the UK market is described as "outstanding" with 9.5x demand of the average TV series in the UK in the 30 days leading up to 14 February 2023);
- demand for the series had increased by 173.3% over the last 30 days;
- the series ranks at the 98.9th percentile in the UK drama genre, meaning that it had higher demand than 98.9% of all drama titles in the UK.

65. Whatever the above statistics from **Exhibits KB-4B** and **KB43** may indicate about the popularity of the ESDLC TV series in 2020 and 2023, the evidence fails to show how many people in the UK were aware of or watching it at the Relevant Date.

66. While I take account of all of the evidence in the round, I find it extremely difficult to find that the Opponent has demonstrated that it had actionable goodwill in the territory of the UK – as assessed at the Relevant Date – even in relation to a television series. The evidence shows that the ESDLC TV series was available on Netflix in the UK

before the Relevant Date, but unlike the LRDS TV series, the evidence does not even set out how many unique profiles were recorded in the period before the Relevant Date.

67. I find the evidence insufficient to demonstrate that the Opponent enjoyed the benefit of goodwill associated with the LRDS sign in the UK at all by the Relevant Date. Mr Stone submitted that a factor constraining the richness of the Opponent's evidence is that, until recently, it had not been possible to gather viewing figures for what appears on Netflix. Even so, what has been filed in evidence is simply too thin to be able to conclude that there was any significant UK awareness of the series before the Relevant Date.

68. For completeness, even if, simply by virtue of having been available to access via Netflix in the UK, the Opponent's TV series had, by the Relevant Date, given rise to a goodwill among a proportion of the UK public, then the degree of any such goodwill could at best be considered to be very modest indeed. The goodwill extends no further than a TV series, and in line with the reasoning I gave in respect of the RDS Application, I find that no actionable misrepresentation arises.

69. **Outcome:** In the absence of actionable goodwill or in the absence of misrepresentation, the opposition against the RDS Application fails insofar as it is based on section 5(4)(a) grounds.

Reputation of Earlier Mark under section 5(3)

70. The Opponent's statement of case claims that the Mark had a *"vast reputation and goodwill in the United Kingdom."* I have already given my understanding that to establish that the Earlier Mark had a reputation for the purposes of the section 5(3) ground is a greater challenge than to establish some degree of goodwill or reputation for the purposes of section 5(4)(a). Mr Stone reminded me of the case law comment that the requirement to prove the existence of a reputation for the relevant services is

"not a particularly onerous requirement."[19] This could be understood to mean that if a company has the benefit of an earlier mark that enjoys a reputation, then to establish that claim, by reference to suitable objective evidence ought not to involve a great deal of effort, trouble, or difficulty – in other words it ought not to be a particularly onerous requirement. There is no prescription as to what the evidence must comprise,[20] but it must show that the earlier mark is known by a significant part of the relevant public. The evidence gives no indication of advertising directed to the UK, no viewing figures at the Relevant Date and no UK award recognition. The evidence filed is insufficient to enable a tribunal to conclude that the Earlier Mark satisfied that knowledge threshold among the UK general public.[21]

71. **Outcome:** In the absence of reputation, there can be no possibility that the average consumer would make a mental link between a brand of tequila and television drama service; the claim under section 5(3) cannot succeed.

The section 3(6) claim against both the RDS and SDLC Applications

72. An allegation of bad faith is a serious one. The question of whether a trade mark application was filed in bad faith is to be determined as at the date on which the application for the trade mark was filed. Trade mark applications are territorial and the question of whether a trade mark application was filed in bad faith is to be determined by reference to the territory in question. An allegation of bad faith must be distinctly pleaded and I remind myself that the Opponent's bad faith claims are pleaded as follows:

    (i) The Applicant was aware of the existence of the LRDS and ESDLC television series when it applied for its UK trade marks in September 2021;

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19 That comment was made by Arnold J (as he then was) in *Och-Ziff Management Europe Ltd & Anr v OCH Capital LLP & Ots* [2010] EWHC 2599 (Ch) at §126 and again in *Enterprise Holdings Inc. v Europcar Group UK Ltd* [2015] EWHC 17 (Ch) 32. In *Enterprise Holdings* the evidence showed that the claimant was the market-leading car hire company in the UK, with a 30% share of the UK market. It was in that context that the judge said that proving a reputation "is not a particularly onerous requirement"; he had no reason to turn his mind to situations where the claimant had only a small and/or unquantified share of the relevant market.

20 *Farmeco AE Dermokallyntika v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (BOTUMAX),* Case T-131/09, the GC at paragraph 59.

21 Case law is clear that reputation is properly considered a knowledge threshold; see for instance para 69 of judgment of Judge Hacon in *Burgerista Operations GmbH v Burgista Bros Limited* Case No: IP-2015-000175 [2018] EWHC 35 (IPEC).

(ii) a website associated with the Applicant previously stated that Mr Agnesi, *"saw the name of the television series as an opportunity to use it on tequila*';

(iii) the Applicant knew that consumers would associate its Goods with the LRDS and ESDLC television series or was '*intending to obtain an unlawful "leg up"*' based on their fame and reputation; and

(iv) by choosing to file the RDS and SDLC Applications, the Applicant acted dishonestly and fell short of standards of acceptable commercial behaviour.

73. My initial observations on each of those pleaded points are as follows:

(i) Mr Agnesi admits that the Applicant was aware of the existence of the LRDS and ESDLC television series when it applied for its UK trade marks in September 2021. This is of no consequence of itself. What the Applicant has consistently denied is that the Opponent had prior rights that would prevent its trade mark applications in the UK.

(ii) The wording used on the SDLCTequila website was not directly and precisely what was claimed in the statement of grounds. Mr Agnesi did not say '*he saw the name of the television series LA REINA DEL SUR as an opportunity to use it on tequila*'. However, the text did refer to the company as one "with trends in television series" and to Mr Agnesi's working as "an actor in several series and novels, both on television and digital platforms" and seeing "an opportunity and interest in these characters" which he "took to a product".[22] I accept that it is likely that visitors to the website who are familiar with the two telenovelas, reading the text quoted would understand that there was intended to be a mental link, a connection, between the series and the tequila goods. On the other hand, Mr Agnesi denied that he authorised the use of that text on the SDLCTequila website and that when he learned about the text, having lost his trade mark applications in Colombia, he asked those in charge of the website to remove the text. Mr Stone challenged the honesty of Mr Agnesi's testimony in this area, pointing to the coincidence of the Applicant's Goods having near identical names

22 **Exhibit KB18.**

to two of the most successful Mexican television programmes of recent years, suggesting that the television shows were why Mr Agnesi had chosen the names in 2017. Mr Stone also pointed to a lack of evidence regarding the source of the textual references if they were not authorised by Mr Agnesi, and to the single page of evidence within Facebook extracts at Exhibit KB22, suggesting that the reference to the Applicant's reference to "trends in TV series" persisted even after the removal of similar text from the website.

(iii) The Opponent claims that the Applicant's motivation for filing its trade mark was "*to obtain an unlawful "leg up"*" based on the fame and reputation of the Opponent's television series, with which consumers would associate the Applicant's Goods. Insofar as the UK is concerned, I have rejected the Opponent's claims to have had relevant fame or reputation in the UK by the Relevant Dates for the 5(3) and 5(4)(a) grounds. In respect of the UK, therefore, I have rejected the claims of association and there is no unlawful advantage taken in the choice of names.

(iv) In the circumstances, can it therefore be said that in applying for protection in the UK of its two trade marks in respect of tequila, the Applicant acted dishonestly or that its behaviour fell short of standards of acceptable commercial behaviour?

(v) Mr Stone submitted:

- that the coincidence of the Applicant's choice of names for its two tequila products with the two Mexican TV series is enough to raise a rebuttable presumption of lack of good faith and that it therefore falls to the Applicant to provide a plausible explanation;
- that even if the Opponent is unable to prove reputation or goodwill, it would be wrong in law to conclude that the bad faith case must also fail;
- that there is nothing in the case law on bad faith that requires the Opponent to prove reputation in the UK - it was necessary only to prove that the objective conduct of Applicant fell below the accepted standards of ethical practice. Mr

Stone cited the *Trump* case as an example of a case where there was no reputation.[23] Mr Stone also invited me to contemplate a scenario where two law firms merge and someone the next day files a trade mark, say in Argentina, with the name of the merged law firm. Mr Stone submitted that such a step is clearly bad faith even if the law firms did not have reputation in that combined name in that particular jurisdiction, because it is the dishonest conduct that matters.

74. The Trump case gave rise to a finding of bad faith, in part because of an evidenced pattern of behaviour, abusive of the trade mark system, and partly because the applicant in that case offered no reason to explain its filing strategy. In the present case, a television company has used as the titles of two of its shows the nicknames of notorious real-life criminals; those Spanish-language telenovelas have not been shown to benefit from a reputation or strong goodwill among the general public in the UK – even by the later date of the UK applications. The name-phrases in translation are not especially distinctive – Lord of Heaven/the Skies and Queen of the South. It is not inconsistent with good faith for the Applicant, to seek trade mark protection in the UK for goods that are entirely dissimilar to the goods or services of the Opponent. The merged law firm scenario appears to entail opportunistic and deceptive factors of an aggravating nature that may well support a claim of bad faith.

75. However, clearly each case must be assessed on its facts. In my view, it was not an act of bad faith for the Applicant to apply in the UK for its RDS and SDLC trade mark Applications. The Applicant produces tequila goods under those brands, and appears to have trade mark protection in the USA and in the EU. By the date of its applying for the UK trade marks, the Applicant would have been aware that the EUIPO had rejected the Opponent's claim to have actionable prior rights to prevent registration in the EU. When the UK left the European Union, the Applicant sought to ensure protection of its trade mark rights in the UK, in order to be able to sell its branded goods. There is a clear commercial logic in that step.

23 *Trump International Limited. v. DTTM Operations LLC v Comptroller General of Patents, Designs and Trade Marks* [2019] EWHC 769 (Ch).

76. In a trade mark system that operates on a first-to-file basis, and where it is not clear that the Opponent had any actionable rights in the LRDS Sign and where its UK rights under the ESDLC Sign are limited to a trade mark registration for entertainment services there seems to me no sustainable bad faith objection to the Applications on the facts of the present case.

77. **OUTCOME**: The oppositions fail on all grounds. Subject to any successful appeal, trade marks application numbers 3701352 and 3702083 may proceed to registration.

COSTS

78. The Applicant is entitled to a contribution towards its costs in these proceedings, in line with the scale set out in Tribunal Practice Notice 2/2016. I award the sum of **£4500**, which is calculated as follows:

Considering the statement of grounds and preparing a counterstatement: **£250** (x2)
Considering the other side's evidence and preparing response: **£2200**
Preparation for and attending a hearing: **£1800**

79. I order Telemundo Network Group LLC to pay Mezquila USA, LLC the sum of £4500. The above sum should be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 24th day of December 2024

Matthew Williams
For the Registrar