O/532/22

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003602366

BY HAMMEKEN CELLARS, S.L.

TO REGISTER THE FOLLOWING MARK:

SELECCIÓN

200

BARRELS

IN CLASS 33

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. OP000425337

BY VIÑA CONO SUR S.A.

Background and pleadings

1. On 1 March 2021, HAMMEKEN CELLARS, S.L. ("the applicant") applied to register the trade mark shown below and the application was published for opposition purposes on 7 May 2021.

2. The mark has a priority date of 3 April 2020. Tribunal Practice Notice 2 of 2020 says that "applications for EUTMs and IR(EU)s which were pending on IP Completion Day [31 December 2020] can be re-filed in the UK within 9 months of IP Completion Day, whilst retaining the EU filing date (and any relevant priority/seniority dates)." This is what the applicant has done in this case – it has re-filed its application in the UK – and therefore it benefits from the above priority date.

3. The registration is sought for the following goods:

   Class 33 Wine.

4. VIÑA CONO SUR S.A. ("the opponent") opposes the trade mark on the basis of section 5(2)(b) of the Trade Marks Act 1994 ("the Act"). The opposition is reliant upon the mark and the goods shown below.

5. UK00902537884, filed on 16 January 2002, registered on 27 April 2007.

20 BARRELS

Class 33 Wines and sparkling wines.

6. In its Form TM7 and an accompanying statement of grounds, the opponent argues that the applicant's mark is similar to its earlier mark and that the competing goods are identical or similar.

7. The applicant filed a Form TM8 and a counterstatement denying the claims made and requested proof of use.

8. The opponent filed evidence of use, described below.

9. Neither party requested to be heard, but they both filed written submissions in lieu of a hearing. In its submission, the opponent drew my attention to a EUIPO decision concerning the same marks and goods, which refused the application. The opponent recognised that prior decisions of the EUIPO are not binding on the UKIPO.

10. The applicant is represented by Barker Brettell LLP and the opponent is represented by Marks & Clerk LLP.

Evidence

11. Having been put to proof of use, the opponent filed a witness statement from Alberto Tiravanti, the Marketing Manager for the opponent. It is signed and dated 27 September 2021.

12. Mr Tiravanti's witness statement is accompanied by five exhibits, Exhibit 1 to Exhibit 5.

DECISION

13. Section 5(2)(b) of the Act reads as follows:

"5(2) A trade mark shall not be registered if because –

(a)…

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

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

14. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

"(1) In this Act an "earlier trade mark" means –

(a) a registered trade mark, international trade mark (UK) a European Union trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered."

15. Given its filing date, the trade mark upon which the opponent relies qualifies as an earlier trade mark as defined above.

Proof of use

16. I note that the earlier mark had been registered for more than five years at the applicant's priority date and therefore the proof of use provisions apply. As stated above, the applicant has requested proof of use.

17. The proof of use provisions are set out in section 6A of the Act, the relevant parts of which state:

"(1) This section applies where

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section "the relevant period" means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

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

(3) The use conditions are met if-

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

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

(4) For these purposes-

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

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

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

(5A) […]

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

18. Section 100 of the Act is also relevant, which reads:

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

19. Pursuant to section 6A of the Act, the relevant period for assessing whether there has been genuine use of the earlier mark is the five-year period ending with the applicant's priority date i.e. 4 April 2015 to 3 April 2020. The opponent's mark is a "comparable mark" – a mark derived from an EU trade mark as part of the transitional arrangements that were put in place as a result of the UK leaving the European Union. Tribunal Practice Notice 2 of 2020 explains that "where all or part of the relevant five-year period for genuine use under sections 6A, 46(1)(a) or (b), or 47 falls before IP Completion Day [31 December 2020], evidence of use of the corresponding EUTM in the EU in that part of the relevant period before IP Completion Day will be taken into account in determining whether there has been genuine use of the comparable trade mark. For that part of the relevant period, for the purposes of the genuine use assessment, the EU will be taken to include the UK."

20. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

> "114……The CJEU has considered what amounts to "genuine use" of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp* v *Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]."

21. Although the UK has left the EU, section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in

accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

22. As the opposing mark is derived from an EUTM, the comments of the Court of Justice of the European Union ("CJEU") in *Leno Merken BV v Hagelkruis Beheer BV,* Case C-149/11, are relevant. The court noted that:

> "36. It should, however, be observed that […] the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase 'in the Community' is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use."
>
> And:
>
> "50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as 'genuine use', it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark."
>
> And:
>
> "55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to

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

At paragraphs 57 and 58, the court held that:

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

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

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

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

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

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that “genuine use in the Community will in general require use in more than one Member State” but “an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State.” On this basis, he went on to hold at [33]-

[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

24. The General Court ("GC") restated its interpretation of *Leno Merken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark).

25. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods at issue in the Union during the relevant five-year period. In making the required assessment I am required to consider all relevant factors, including:

    a. The scale and frequency of the use shown;

    b. The nature of the use shown;

    c. The goods for which use has been shown;

    d. The nature of those goods and the market(s) for them; and

    e. The geographical extent of the use shown.

26. Proven use of a mark which fails to establish that "the commercial exploitation of the mark is real" because the use would not be "viewed as warranted in the

economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark" is, therefore, not genuine use.

27. I first consider the opponent's use of its mark.

28. The phrase "20 BARREL" or "20 BARRELS" features in the product descriptions in the spreadsheets (Exhibit 1) and invoices (Exhibit 2) offered in evidence. The phrase is prefixed by "CS" standing for "Cono Sur" (part of the opponent's company name). The phrase "20 BARRELS" is the most prominent part of the wine bottle labels shown in the evidence, for example on the second page of Exhibit 4. It is in bold block capitals at the top of the label and is larger than the other items on the label. As such it is the first thing that the consumer would notice in looking at the label. The other parts of the label are the description "Limited EDITION" with the word "limited" being in a stylised font, below which is the type of wine and the estate that it comes from. Finally, the phrase "Cono Sur" in a stylised font features at the bottom of the label.

29. It is apparent that Cono Sur is the name of the wine company as a whole. For example, photographs of the 20 BARRELS range featured in Exhibit 4, which relates to awards that the 20 BARRELS wine has won, are branded with "Cono Sur, A New World" in the bottom right-hand corner. Cono Sur's Facebook, Instagram and Twitter addresses also feature. In that Cono Sur could also be perceived as a trade mark, I am guided by the case law that relates to the use of a mark with another mark. In *Colloseum Holdings AG v Levi Strauss & Co.,* Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union found that:

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

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

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

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

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

30. Despite the presence of the Con Sur name, I consider that “20 BARRELS”, which is prominently displayed on the wine labels, will continue to be perceived as indicative of the origin of the product at issue. It will be seen as

"20 BARRELS" wine. In *Castellblanch SA v OHIM, Champagne Louis Roederer SA* [2006] ETMR 61 (General Court), CRISTAL was the product name and Louis Roederer the name of the manufacturer. "Joint use of those elements on the same bottle does not undermine the function of the mark CRISTAL as a means of identifying the products at issue." I consider the case before me to be analogous to this one.

31. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself.[1]

32. Paragraph 5 of Mr Tiravanti's witness statement states that 16,414 bottles of 20 BARRELS wine have been sold to the opponent's UK distributor for onward sale in the years 2015 to 2020. This overall data is said to be broken down in the form of the spreadsheet evidence in Exhibit 1. However, the overall total on the spreadsheet evidence is a larger amount - 18,800 bottles. The reason for this discrepancy is not apparent. It may be an error on the part of the opponent. However, given that evidence of the larger amount is supported by detailed data in Exhibit 1, I do not consider the discrepancy to undermine the opponent's case and I will take the larger figure to be valid.

33. The yearly totals in the spreadsheet evidence are as follows: 2,673 (2015), 1,110 (2016), 3,351 (2017), 4,698 (2018), 5,158 (2019), and 1,810 (2020).

34. Exhibit 2 consists of sample invoices from the opponent to the opponent's UK distributor which include sales of 20 BARRELS branded wine. While I have been provided with information as to number of bottles sold each year, the opponent has not stated what turnover has been generated by these sales. However, of the sample invoices that fall within the relevant five-year period, the unit price for 20 BARRELS wine ranges from £38.06 to £38.91 per case which equates to £6.34 to £6.49 per bottle. Extrapolating on that basis, turnover is as follows:

[1] *New Yorker SHK Jeans GmbH & Co KG v OHIM*, T-415/09

2015: Between £16,946.82 and £17,347.77

2016: Between £7,037.40 and £7,203.90

2017: Between £21,245.34 and £21,747.99

2018: Between £29,785.32 and £30,490.02

2019: Between £32,701.72 and £33,475.42

2020: Between £11,475.40 and £11,746.90

TOTAL: Between £119,192 and £122,012

35. Exhibit 3 shows a bottle of 20 BARRELS wine on sale on the Tesco website as an example of the wine being sold in "the leading supermarkets in the United Kingdom" (to quote from Mr Tiravanti's witness statement). The Tesco website reviews which feature in Exhibit 3 show that the opponent's wine has been on sale via the Tesco website at least between 2018 and 2020 – within the relevant five-year period.

36. Exhibit 4 cites awards and reviews in relation to 20 BARRELS wine. One of the 20 BARRELS wines was awarded the "Chilean Chardonnay Trophy" at the International Wine Challenge 2018 ("an extremely prestigious global competition" – Mr Tiravanti's witness statement). However, there is no indication as to where the competition physically took place or whether it was held virtually. An extract from the internationalwinechallenge.com website, which post-dates the relevant five-year period, shows that the competition can be entered from the UK with entry fees being quoted in pounds sterling.

37. 20 BARRELS wine is also shown as highly rated by Tim Atkin, a Master of Wine and UK wine journalist. Mr Atkin's CV contains references to UK publications and companies.

38. Finally, 20 BARRELS wine is also highly regarded by The Wine Spectator, an American publication with, according to Mr Tiravanti's witness statement, "a global readership of 3.5 million people as of 2016, making it the most widely read wine publication in the world." However, there is nothing to indicate what the circulation figures of this publication are in the UK or indeed the EU.

39. Exhibit 5 shows 20 BARRELS wine featuring in a UK publication and UK website – The Drinks Business and Mid Week Wines. The Drinks business article dates from 5 February 2020, within the relevant five-year period, and, according to Mr Tiravanti's witness statement, The Drinks Business "claims to have an international monthly reading audience of 685,000". Mr Tiravanti also states that, "The reviews published on Mid Week Wines have been re-posted and re-published by leading supermarket chains in the UK such as Morrisons, thereby significantly increasing their exposure." However, the Mid Week Wines article offered in evidence is undated and the first online comment underneath it dates from just after the end of the relevant five-year period.

40. The opponent has not provided any evidence as to market share or marketing expenditure, only commenting that there has been "substantial investment" incurred in developing the 20 BARRELS wine product. While there is evidence of media coverage received by the product in the form of awards, reviews and press articles, only a small proportion of that evidence can be shown to be targeted at UK consumers during the relevant five-year period.

41. The evidence of the geographical extent of the use of the opponent's mark is limited. However, I recognise that there are a number of invoices offered in evidence which show 20 BARRELS wines being shipped to the opponent's UK distributor in Oxfordshire and it can be assumed that they were then sold on to retailers elsewhere in the UK. I also note that the product is shown on sale on the Tesco website during the relevant five-year period, Tesco being a major UK-wide supermarket.

42. While not necessarily constituting a notable market share of the UK wine market, the sales of 20 BARRELS wines that have been evidenced in each of the five years of the relevant five-year period are not insignificant.

43. Overall, I consider the opponent to have established use of the mark to the extent that there has been real commercial exploitation of the mark in order to maintain or create a share in the market for the goods protected by the mark.

I am therefore satisfied that the opponent has demonstrated genuine use of its mark within the UK.

44. The opponent's mark is registered for "Wines and sparkling wines". Red and white wine are clearly shown in the evidence and consequently use of the opponent's mark for "wines" has been demonstrated. The specification of the opponent's mark also covers sparkling wines. However, there is no specific evidence of use of the opponent's mark in relation to those goods. While it may be arguable whether the evidence is sufficient to establish genuine use in relation to sparkling wines, it would not add anything to the opponent's case and so I will proceed on the basis that genuine use has been shown in relation to wines only.

Section 5(2)(b) – case law

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

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of the trade marks

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

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

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

48. The opponent's and the applicant's marks are shown below.

Opponent's trade mark	Applicant's trade mark
20 BARRELS	SELECCIÓN 200 BARRELS

49. The opponent considers the respective marks to be highly similar in terms of an overall comparison, being visually highly similar, phonetically similar to at least an average to above average degree, and conceptually highly similar. It regards the word "SELECCIÓN" in the applicant's mark to be "negligible" and argues that "The background figurative filigree/patterned element on which the word elements are placed is less prominent due to its faded grey colouring, and is superseded in dominance by the word elements placed over it."

50. The applicant contends that, visually, "It would be unjustified to reduce the comparison of the marks at issue to the shared word only", noting that its mark contains graphical elements. It goes on to say that "In the UK, a mark is read from left to right which is why when the beginning of marks are different, phonetically, overall the marks are different." It states that its mark begins with "SELECCIÓN", while the opponent's mark begins with "20" and therefore the marks are phonetically different. It also points out that "20" and "200" sound different and consist of two and three syllables respectively. The applicant also argues that conceptually the marks convey a very different meaning.

51. I set out my analysis below.

52. The opponent's mark is the plain words "20 BARRELS", consisting of two elements, the number 20 and the word "BARRELS". These two elements will be perceived as a unit indicating the number of barrels and that unit is the only thing that contributes to the overall impression.

53. The applicant's mark is a figurative mark consisting of the words "200 BARRELS" on a background of pale grey intricately patterned overlapping circles. The word "200" is very large and stylised and in black and yellow, with the word "BARRELS" being of a reasonable size, but smaller than "200". Above the words "200 BARRELS" is the very much smaller word "SELECCIÓN". The words "200 BARRELS", given the presentation of the word "200" and the relative size of the two words, stand out and will be seen as a unit. The two words have by far the strongest relative weight, the very much smaller word "SELECCIÓN" carrying minimal weight within the overall impression. The contribution to the overall impression of the decorative background is negligible.

54. Visually, the opponent's mark is wholly contained within the dominant words of the applicant's mark. Furthermore, while the applicant's mark has the very small word "SELECCIÓN" and a feint decorative background, taking into account the way the units "200 BARRELS" and "20 BARRELS" are presented, I consider the marks to be visually similar to at least a medium to high degree.

55. Aurally, I do not think that the average consumer would articulate the word "SELECCIÓN" in the applicant's mark. As such, the aural comparison is between "TWEN-TEE BAHRULZ" and "TOO HUHN-DRED BAHRULZ". I find the marks to be of medium similarity aurally.

56. Conceptually, the two marks share the same idea of a number of barrels. The numbers 20 and 200 are also similar to the extent that they differ only by the addition of a zero. While the applicant's mark contains the additional word "SELECCIÓN", this is likely to go unnoticed due to its size, but even if the average consumer was to notice it, they would recognise it as foreign word

meaning “selection” in English, and would perceive it as descriptive in the context of the goods at issue – which means that the word, even if perceived, does not introduce any concept that creates a distinctive difference between the marks. I find the marks to be highly similar conceptually.

Distinctive character of the earlier mark

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

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

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

58. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive

of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

59. I start with an assessment of the inherent distinctive character of the earlier mark.

60. The words “20 BARRELS” have a limited association with the goods in that wine can be stored in barrels, but the word “barrels” is not directly descriptive or allusive of the goods, nor is it a direct characteristic thereof. The number 20 adds to the inherent distinctiveness of the mark as it is a specific number. As such, the mark not containing made up words, but also not being directly allusive of the goods, I find the earlier mark to be inherently distinctive to a medium degree. I bear in mind that the degree of distinctiveness of the earlier mark is only likely to be significant to the extent that it relates to the point of commonality between the marks[2], namely the word “BARRELS”. To that extent, I confirm that my view is that that the word is inherently distinctive alone to a medium degree.

61. The opponent originally provided evidence in the context of proof of use. Although the opponent has made no claim of an enhanced degree of distinctive character acquired through use, that would not prevent me from considering whether the use the opponent has made of the earlier mark has actually enhanced the distinctiveness of the mark to any extent. This is because the assessment of distinctiveness is one of the fundamental factors that needs to be assessed in every case and, as is clear from the case-law, this can come from either the inherent nature of the mark, its use, or indeed a combination of the two.

62. The mark has been in use in the UK in the five-year period ending with the applicant’s priority date, the UK being the only relevant territory for the purposes of establishing the enhanced distinctiveness of a mark.

[2] See *Kurt Geiger v A-List Corporate Limited*, BL O-075-13

63. While no market share data was provided, there is evidence of use in the form of documented sales which equate to between £119,192 and £122,012 in the years which include the relevant five-year period. There are examples of the earlier mark featuring in the media, but no information was supplied as to marketing expenditure.

64. The sales recorded by the opponent do not strike me as indicative of a level that would lead to the capacity of the mark, measured from the perspective of the average consumer, to more greatly identify the goods for which they have been registered as coming from a particular undertaking, beyond their inherent capability to do so.

65. Overall, I do not find that the evidence shows use of the mark such that the level of distinctiveness can be raised above the findings that I have made for the mark's inherent distinctive character, that of a medium degree.

Comparison of the goods

66. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union ("CJEU") in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

> "In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary."

67. The goods in question are as below.

Opponent's goods	Applicant's goods
Class 33 Wines.	Class 33 Wine.

68. The respective goods are self-evidently identical.

The average consumer and the nature of the purchasing act

69. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then determine the manner in which the goods and services are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

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

70. The opponent draws attention to the applicant's submission whereby it asserts that "in general, wine is purchased in stores, supermarkets and specialised stores where the consumer selects the product by viewing its label". The opponent agrees with that proposition and says that it is therefore clear that consumers would rely more on the visual impression conveyed by the marks than reference made to it orally.

71. Turning to my analysis of the purchasing process in this case, wine is consumed by adult members of the public. Wine can vary considerably in

price, so the average consumer will give due consideration to questions of cost, but also will give some thought as to the type of wine and its credentials. Overall, I consider that a medium degree of attention will be paid when the goods are being purchased.

72. The goods may be self-selected from the shelves of a supermarket or off licence or they may be acquired in pubs, bars or restaurants. Even where customers are served their wine in a bar, pub or restaurant, visual considerations will predominate in the form of the use of a wine list or direct scrutinization of the bottles on shelves or in glass-fronted cabinets. Consequently, while an aural component in the purchasing process is not ruled out, visual factors are more important.

Likelihood of confusion

73. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods or services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, the average consumer for the goods and services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

74. I have found the parties' marks to be visually similar to at least a medium to high degree and aurally similar to a medium degree. I regard the marks as highly similar conceptually. I consider that a medium degree of attention will be paid when the goods are being purchased. While an aural component in the purchasing process is not ruled out, visual factors are more important. The goods are identical. The earlier mark is distinctive to a medium degree.

75. I consider that this is a case where direct confusion is likely, particularly when the principle of imperfect recollection is borne in mind. Both marks begin with "20", the first part of both marks are numbers, and both marks end with "BARRELS". The very small descriptive word in the applicant's mark, "SELECCIÓN", is barely noticeable, and the stylistic elements do not make much of an impression to the extent that they could just as easily be recalled as belonging to the applicant's mark or mis-recalled as belonging to the opponent's mark. As such, overall, it is likely that one mark would be mis-recalled as the other. This leads me to the conclusion that there is a likelihood of direct confusion. If I am wrong, I consider that given the similarity of the dominant and distinctive elements "20 BARRELS" and "200 BARRELS" in the respective marks, even if the average consumers were to recall the differences between the marks, it is likely that they would assume that the later mark is a variant of the earlier mark, and so there would be indirect confusion.

CONCLUSION

76. The opposition has succeeded in full. Subject to appeal, the application will be refused.

COSTS

77. The opponent has been successful in its opposition. In line with Annex A of Tribunal Practice Notice 2 of 2016, I award costs to the opponent as follows:

Official fees:	£100
Preparing the Notice of Opposition:	£200
Preparing evidence:	£600
Preparing a written submission:	£400
Total:	**£1300**

78. I order HAMMEKEN CELLARS, S.L. to pay VIÑA CONO SUR S.A. the sum of £1300. 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 this case if any appeal against this decision is unsuccessful.

Dated this 21st day of June 2022

JOHN WILLIAMS
For the Registrar