

O-022-16

TRADE MARKS ACT 1994

TRADE MARK REGISTRATION 3011548

IN THE NAME OF LANCHESTER WINE CELLARS LIMITED

AND

APPLICATION 500664 BY SOCIEDAD ANONIMA VINA SANTA RITA

FOR A DECLARATION THAT THE REGISTRATION IS INVALID

Background and pleadings

1. This is an application dated 22 October 2014 by Sociedad Anonima Vina Santa Rita (“the applicant”) under section 47(2) of the Trade Marks Act 1994 (“the Act”) to invalidate trade mark registration 3011548. The trade mark consists of the words **Alta Rita Estates** and it is registered in class 33 for:

Alcoholic wines; spirits and liqueurs; alcopops; alcopop; alcoholic cocktails.

2. The trade mark is owned by Lanchester Wine Cellars Limited (“Lanchester”).

3. The application to register the trade mark was filed on 26th June 2013. This is the relevant date for assessing the merits of the application for invalidation.

4. There are three grounds for invalidation. Two of these grounds are based on earlier trade marks owned by the applicant. These are:

- UK trade mark 1015179. This consists of the words SANTA RITA. The registration process was completed in 1975. This mark is relied upon in so far as it is registered in class 33 for table wines.
- UK trade mark 2644325. This consists of SANTA RITA SR. The registration process was completed on 8th March 2013. The mark is registered in class 33 for ‘alcoholic beverages, except beer; wine; sparkling wine’.

5. The applicant claims that the contested trade mark is similar to the earlier marks, is proposed to be registered for identical or similar goods, and there is a likelihood of confusion on the part of the public, including the likelihood of association. Therefore registration of the contested mark was contrary to section and 5(2)(b) of the Trade Marks Act 1994 (“the Act”).

6. Further, or in the alternative, the applicant claims that the earlier marks have a reputation for wines. The applicant claims that it is the only user in the UK of a trade mark for wines containing the word RITA. Accordingly, use of the contested mark would, without due cause, take unfair advantage and/or be detrimental to the reputation or distinctive character of the earlier marks. Registration of the contested mark was therefore contrary to s.5(3) of the Act.

7. The applicant also relies on its unregistered trade mark rights in the words SANTA RITA for wines. The applicant claims to have used this mark in the UK for several decades prior to the relevant date and to have acquired substantial goodwill under SANTA RITA. According to the applicant, use of the contested mark by Lanchester at the relevant date would have amounted to passing off. Therefore, registration of the contested mark was also contrary to s.5(4)(a) of the Act.

8. Lanchester filed a counterstatement denying the grounds for invalidation and putting the applicant to proof of use of the SANTA RITA mark.

9. Both sides seek an award of costs.

Evidence

11. The applicant's evidence includes two witness statements by Terry Pennington of Santa Rita Europe Limited. The purpose of his evidence is mainly to show the use and reputation of the SANTA RITA mark in the UK. However, it also includes an allegation that Lanchester's trade mark application was linked to the move of an employee of the applicant's long time distributor in Ireland¹ to work for Lanchester.

12. Mr Rupert Berkmann gives evidence going to the use and reputation of the SANTA RITA mark in the UK . He is the Managing Director of Berkmann Wine Cellars, which distributes the applicant's SANTA RITA wines to the on-trade in the UK.

13. The applicant's evidence also includes witness statements by John Hoskins, Jane Cranston and David Rose. They are experienced people in the wine trade. Their evidence is intended to support the applicant's claim that SANTA RITA has a reputation in the UK, and is the only mark used in the UK for wines which includes the word RITA.

14. Finally, the applicant filed a witness statement from Jonathan Thurgood, who is a trade mark attorney at Carpmael & Ransford, which represents the applicant in these proceedings. The purpose of Mr Thurgood's evidence is to reply to the Lanchester's evidence (see below) consisting of the results of trade mark searches. These search results show that third parties have registered marks including the word RITA in class 33.

15. Mr Pennington has 30 years experience in the wine trade. He says that the applicant distributes its wines directly to the off-trade in the UK. This includes large players such as Majestic Wines, Tesco, Waitrose, the Co-op, the Wine Society and Oddbins. However, I note that there is no mention of Waitrose or Oddbins in the table in exhibit TP4 to Mr Pennington's statement and that Tesco does not appear until 2013.

16. Mr Pennington provides sales figures showing that the applicant sold around \$1.6m to \$4.4m worth of wine in England between 2002 and 2013. The highest years were 2004 (\$4.4m) and 2013 (\$4.2m). Sales fell to \$1.6m in 2010 before rising again. According to Mr Pennington, the applicant had 1.7% of the UK market for

¹ Giblets of Ireland

Chilean wines in 2012. In his second statement he provides data showing that SANTA RITA was the 8th largest Chilean wine brand in the UK by value in 2013. I note that the applicant has a larger share of the smaller market for Chilean wines in the Republic of Ireland (17.2% in 2012) and that sales by volume in Ireland consistently outstripped sales in the UK during the period 2008-2013². I also note that the applicant makes substantial sales of SANTA RITA wines to Norte-Diageo in Northern Ireland (over \$2m worth in 2012 and over \$1m worth in 2013).

17. According to Mr Pennington, the applicant engaged a company called Caroline Park to promote its wines in the UK between 2011 and 2015. It spent around £40k per annum on this, but that appears to cover promotion in Ireland as well as in the UK. Mr Pennington states that the applicant also conducts paid advertising in trade and wine related consumer publications, such as Drinks Business, Harpers, Drinks International and Decanter. The latter is a wine magazine aimed at consumers.

18. Mr Pennington exhibits extracts from Decanter magazine and The Sunday Express dated 2012. These extracts show reviews of, and recommendations for, SANTA RITA wines³. One of the applicant's SANTA RITA wines was also recommended on the BBC's Saturday Kitchen TV show in February 2013⁴. In October 2013 one of the applicant's flagship wines was voted a "wine legend" by Decanter magazine⁵. The SANTA RITA brand featured in Drinks International's 'Top 50 Most Admired Wine Brands 2012' (at number 47) and retained this standing in 2013 and 2014⁶.

19. As regards Lanchester's adoption of the ALTA RITA ESTATES mark, Mr Pennington says this:

"17. In Ireland, the long-standing distributor of Santa Rita is Gilbeys of Ireland. In summer 2013, one of their employees, Michael O'Brien, who had been with the company for a number of years, left to work for Lanchester Wine Cellars. Very shortly after that, Lanchester brought out its Alta Rita Estates wine, and filed an application for that trade mark in the UK on 26th June 2013. Given the circumstances, it seems very clear that Lanchester had knowledge of Santa Rita wine and its reputation when it selected and sought to register the Alta Rita Estates name. In this context, the registered proprietor's request that the opponent prove use of the earlier marks is a clearly frivolous request. Moreover, it appears to be no coincidence that the timing of the Alta Rita Estates application shortly followed the arrival of Michael O'Brien at Lanchester Wine Cellars.

² See the information provided in exhibits TP3 and TP4.

³ See exhibit TP6

⁴ See exhibit TP7

⁵ This was after the relevant date, but the wine in question was from the 1989 vintage, so it had obviously acquired a reputation over a long period of time.

⁶ See exhibit TP9

18. I first became aware of Alta Rita Estates wine in or around November 2013 when I saw it for sale in Dublin and Gatwick airports. Alta Rita Estates and its range of wines has become more visible across the United Kingdom & Republic of Ireland featuring price promotional activity and new listings in one of Ireland's largest retailers of alcohol, Dunnes Stores.

19. Until coming across Alta Rita Estates, I have not been aware of any other wines bearing the name 'Rita' in the United Kingdom. I therefore believe that 'Rita' is distinctive in respect of wines. Moreover, I believe that 'Rita' is associated by consumers and those in the trade with Santa Rita.

20. Whilst Lanchester has registered Alta Rita Estates as a trade mark, it consistently uses the mark either in such a way that the word 'estates' is reduced to a fraction of the size of the words 'Alta Rita', or without the word 'estates' at all. In both cases, the result is that the brand name appears to be ALTA RITA."

20. An example of Lanchester's use of the contested mark is included as exhibit TP11. In use the mark looks like this.



21. Finally Mr Pennington states:

"23. It is clear that there is a great deal of confusion between consumers between the Santa Rita and Alta Rita wines exaggerated in a category where Santa Rita holds strong consumer awareness. Examples of this include a consumer stating to me that Alta Rita is simply another label of Santa Rita to help Santa Rita establish more space on the shelf. Off the record conversations with a key trade buyer have also thrown light on the way in which the Alta Rita brand is being put forward as a "value for money" alternative to Santa Rita."

22. Mr Berkmann's evidence is that his company has been the applicant's exclusive distributor to the on-trade in the UK since 1998. He exhibits a copy of the distribution agreement between his company and the applicant. This is the subject of a confidentiality order. It is sufficient for present purposes to note that the agreement states that SANTA RITA is the trade mark of the applicant. Mr Berkmann also provides sales figures for sales of SANTA RITA wines to the on-trade. These show

that around 300k to 445k bottles of wine were sold per annum between 2008/9 and 2013/14 at a value of around £1.2m to £2.1m. Mr Berkmann states that his company spent around £50k promoting SANTA RITA wines to the on-trade in 2011 and 2012, and around £100k in 2013.

23. Mr Hoskins is a Master of Wine. He runs a hotel, restaurant and wine shop. He has been aware of SANTA RITA wines in the UK for over 20 years. He says that it is one of the longest established Chilean wine brands in the UK. Mr Hoskins does not know of any other wine brand used in the UK which contains the word RITA. He says that prior to being asked about this dispute he had never heard of ALTA RITA.

24. Jane Cranston has over 40 years experience in the wine trade, mostly as a Director and shareholder in a company called Steven Garnier Ltd. This company was appointed as the distributors of another of Chilean wine brand (Carmen Wines) in 1985. The same company owns the applicant and the owner of the Carmen brand. Ms Cranston says that it was always made clear that SANTA RITA wines were the flagship wines of the group and that nothing should be done to detract from that impression when promoting Carmen wines. Ms Cranston states that she is not aware of any other wine brand on the UK market which includes the word RITA. Like Mr Hoskins, she had not heard of ALTA RITA before being asked about this matter.

25. Mr Rose is the Deputy Chairman of Union Press Limited which publishes a trade publication called 'the drinks business'. Mr Rose says that he has been aware of SANTA RITA for a number of years and has worked closely with them for the last four years. He says that they have a great reputation on the UK market. Mr Rose is not aware of another wine brand which includes the word RITA. Like Mr Hoskins and Ms Cranston, Mr Rose was not aware of the use of ALTA RITA before being asked about this matter.

26. Lanchester's evidence consists of a witness statement by William Tennant. Mr Tennant is a trade mark attorney at Tennant IP Limited, which represents Lanchester in these proceedings. He does not claim to have any first hand knowledge of Lanchester's business. However, in response to Mr Pennington's suggestion that Lanchester's adoption of the ALTA RITA mark was prompted by Mr O'Brien move to work from them, Mr Tennant says this:

"6. In paragraph 17 of Mr Pennington's statement, he states that "it appears to be no coincidence that the timing of the Alta Rita Estates application shortly followed the arrival of Michael O'Brien at Lanchester Wine Cellars". Mr Pennington suggests that Mr O'Brien, who previously worked for Gilbeys of Ireland, a long-standing distributor of Santa Rita, was instrumental in the creation of the Alta Rita brand, based on his previous knowledge of Santa Rita. The Registered Proprietor considers this suggestion to be offensive and unwarranted. The Alta Rita branding was already

in progress when Mr O'Brien joined Lanchester Wine Cellars Ltd. Originally, the brand name proposed was "Alta Ria" but an existing trade mark in class 33 "Altaria" already existed. It was then decided to use and register the mark "Alta Rita" to avoid any clash with "Altaria".

27. Mr Tennant also gives evidence about the result of a search he conducted for trade marks including the word RITA. He says that he found three such Community trade marks (CTM) and one other such UK trade mark, and that these marks are in use. Two of them – RITA HELVIN and Rita HABLA – cover wines.

28. Mr Thurgood's statement on behalf of the applicant was filed in reply to this evidence. According to his evidence, the RITA HELVIN CTM is used only for fortified wines. The applicant is opposing the registration of the RITA HABLA mark in opposition proceedings at OHIM. The application to register this CTM was only filed on 25th November 2014⁷. The other two marks identified in Mr Tennant's evidence – LIME-A-RITA and GROUS-A-RITA - are used for beers and whisky, not wines.

The hearing

29. A Hearing took place on 8th December 2015 at which Guy Tritton appeared as counsel for the applicant, instructed by Carpmaels & Ransford LLP. Jonathan Moss appeared as counsel for Lanchester, instructed by Tennant IP Limited.

30. Mr Tritton submitted that in assessing the possible merit of the s.5(4)(a) ground for invalidation I should consider as "context" that the evidence showed that the applicant sometimes used the term 'SANTA RITA ESTATES'. I did not consider that I could take account of the applicant's use of this term because the only unregistered earlier right relied on in the applicant's pleadings was SANTA RITA⁸.

31. Mr Tritton asked for permission to amend the pleadings accordingly. He submitted that this would not prejudice Lanchester because the evidence showing use of SANTA RITA ESTATES had been with Lanchester for months. Mr Moss objected to this application. He submitted that it was made far too late. Further, it could prejudice Lanchester because it might have filed different evidence if the point had been clearly placed in issue. For example, Lanchester might have wished to file evidence showing the existence of third party wine brands which also include the word ESTATES, i.e. that 'estates' is not very distinctive.

32. I rejected Mr Tritton's application. It was made far too late. I noted that Lanchester's counterstatement relied on the inclusion of the word ESTATES in the contested mark as a distinguishing feature. Consequently, if the applicant wished to

⁷ There is no evidence that the mark is in use

⁸ See, for example, Floyd L.J. judgment in *J.W.Spear & Sons Ltd and Others v Zynga Inc.* [2015] EWCA Civ 290

rely on its use of SANTA RITA ESTATES as an earlier unregistered trade mark it should have made this clear much earlier.

33. Mr Tritton accepted that, at least with this point removed, the applicant's s.5(4)(a) ground added nothing to its other grounds for invalidation. Consequently, I need say no more about this ground for invalidation.

34. Whilst denying that the applicant's evidence showed that the SANTA RITA mark has a reputation in the UK, Mr Moss accepted that it was sufficient to show that there was genuine use of the SANTA RITA mark for wine in the five year period preceding the date of the application for invalidation. Consequently, there is no need for me to consider that issue. The applicant's other earlier trade mark – SANTA RITA SR – was only registered in 2013. Therefore, it is not subject to proof of use.

The law: section 47

35. The relevant law is as follows:

“47(2) The registration of a trade mark may be declared invalid on the ground –

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

“47(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.”

“5(2) A trade mark shall not be registered if because-

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

(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) 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.

(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, or

(b) -

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

Section 5(2)(b)

36. I will start by examining the ground for invalidation based on s.5(2)(b).

Comparison of goods and services

37. The applicant’s SANTA RITA mark is protected for ‘wines’. The contested mark is registered for ‘alcoholic wines; spirits and liqueurs; alcopops; alcopop; alcoholic cocktails’.

38. ‘Wines’ and ‘alcoholic wines’ are plainly identical goods. The other goods covered by the contested mark are different goods. The question is whether, and to what extent, spirits and liqueurs, alcopops, and alcoholic cocktails are similar to wines.

39. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*⁹ 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”.

40. Alcoholic cocktails can be based on wines, e.g. Champagne cocktails. They may be similar in nature to that extent. More generally, they are both alcoholic drinks and therefore similar in nature at least at that level of generality. Cocktails and wines are taken as an aperitif. The purpose of the goods is therefore the same, i.e. a pleasant tasting long drink which also provides the effects of alcohol. They are not in direct

⁹ Case C-39/97

competition, but consumers sometimes choose between a cocktail and glass of wine, so they are in competition to that extent. The goods are not complementary. I find that the respective goods are highly similar.

41. The same applies, albeit to a slightly lesser degree (because alcopops are not usually wine based) to wines versus alcopops. I find that these are relatively highly similar goods.

42. Spirits and liqueurs are also similar to wines to the extent that they are alcoholic drinks drunk as a matter of taste and in order to obtain the effect of alcohol. The purpose of the goods is therefore similar. They are also similar in nature at the general level of both being alcoholic drinks. However, they are usually (but not always) made from different ingredients to wines. Further, they are usually short drinks and higher in alcohol. People who drink spirits or liqueurs are therefore less likely to see them as alternatives to wines than (say) people who drink cocktails. Wines and spirits/liqueurs are therefore not usually in competition. Nor are they complementary. I find that these goods are similar to a low degree.

43. The applicant's SANTA RITA SR mark is registered for a wide specification covering 'alcoholic beverages, except beer; wine; sparkling wine'. 'Alcoholic beverages' is wide enough to cover all the goods for which the contested mark is registered. The respective goods for which these marks are registered are therefore identical.

The case law

44. The following principles are gleaned from the decisions of the CJEU 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.

The principles

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely

upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

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

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

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

Comparison of marks

45. 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 *Bimbo SA v OHIM*¹⁰ 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.”

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.

46. The respective trade marks are shown below:

SANTA RITA	ALTA RITA ESTATES
SANTA RITA SR	
Earlier trade marks	Contested trade mark

47. The word ‘estate’ describes private land. In the context of wines, it means the property on which the grapes are grown and/or where the wine is made. It is therefore a non-distinctive element of the contested mark. In any event, Mr Moss accepted that normal and fair use of the contested mark would include use in the form shown at paragraph 20 above. He had to accept this because the evidence shows that this is how Lanchester uses the mark. At least when the mark is used in this form, the word ‘Estates’ will have a negligible impact in the overall visual and aural impressions that the contested mark makes on relevant average consumers. The dominant and distinctive element of the contested mark is plainly ALTA RITA.

48. Visually, the applicant’s SANTA RITA mark is similar to the contested mark in that RITA is the second word in SANTA RITA and ALTA RITA estates. The first words – SANTA and ALTA also share the same ending –TA. In both of these words, the final letters –TA are preceded two letters earlier by another letter A. SANTA RITA and ALTA RITA are also of roughly similar length; 9 letters and 8 letters, respectively.

¹⁰ Case C-591/12P

49. The main visual difference between the marks is at that they begin differently: SAN- versus AL-. In my view, there is a low-to-medium degree of visual similarity between the marks.

50. From an aural perspective, the marks will be pronounced as ALL-TA REE-TA (estates) and SAN-TA REE-TA. Three of the four syllables in the dominant and distinctive element of the contested mark are the same as the earlier mark, but the first syllables sound different. I therefore find that there is a medium degree of aural similarity between the marks.

51. It was common ground at the hearing that the average UK consumer will understand that SANTA means ‘saint’ in Spanish. It was also common ground that ALTA would have no readily discernible meaning to average UK consumers of wines and alcoholic drinks, but that the word (and therefore the sign ALTA RITA) has a “Spanish flavour”.

52. On this basis, SANTA RITA means ‘Saint Rita’ whereas ALTA RITA has no conceptual meaning as a whole. However, both marks have a “Spanish flavour”. Overall, I find that there is a low degree of conceptual dissimilarity between the marks.

53. The letters SR in the applicant’s other earlier mark – SANTA RITA SR – apparently stand for ‘special reserve’. However, this is not likely to be apparent to relevant average consumers. The letters are just as likely to be understood as standing for SANTA RITA. Either way the letters SR are subordinate to the words SANTA RITA in terms of the impact they make on average consumers. Therefore other than changing the overall level of visual similarity between the marks from ‘low-to-medium’ in the case of SANTA RITA v ALTA RITA estates, to nearer ‘low’ in the case of SANTA RITA SR v ALTA RITA estates, I find that my analysis of the similarity between SANTA RITA and the contested mark also applies to the similarity between SANTA RITA SR and the contested mark.

Distinctiveness of the earlier mark

54. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*¹¹ 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

¹¹ Case C-342/97

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).”

55. The SANTA RITA mark is not descriptive in any way of alcoholic beverages. In my view, the mark has an above average degree of inherent distinctive character. This applies equally to SANTA RITA SR.

56. The applicant claims that the inherent distinctiveness of the SANTA RITA mark has been enhanced through the use made of it. It also claims that it is the only mark on the UK market for table wines – apart from the contested mark - which includes the word RITA. By contrast, there appear to be a number of other Chilean wine marks present on the UK market with the word SANTA as the first of two words¹².

57. Mr Moss submitted, on behalf of Lanchester, that the evidence shows that there are third party marks on the market for wines which include the name RITA. In Mr Moss’s view, the applicant’s evidence is insufficient to show that the SANTA RITA mark had acquired a reputation and an enhanced level of distinctiveness by the relevant date.

58. I do not accept that the evidence establishes that there were third party marks on the UK market for wines at the relevant date which included the name RITA. It appears that RITA HELVIN is used for fortified wines. However, firstly, there is no evidence that the mark has any real commercial presence on the UK wine market, i.e. there is no evidence that it has ever been sold here. Secondly, the mark appears to be in use for fortified wines, not table wines. I therefore accept the applicant’s evidence that the earlier marks are the only ones on the UK market for table wines (apart from Lanchester’s mark) which include the word RITA.

59. I accept that the applicant’s evidence of reputation is not overwhelming. On the face of it, being the 8th largest brand of Chilean wines on the UK market (by value) is not exceptional. However, I give due weight to the fact that the applicant’s SANTA RITA is long established on the UK market and that some of its wines have received

¹² See exhibit TP6, pages 74 & 87, which show that Decanter recommended SANTA CAROLINA and SANTA CAMILA wines in 2012, indicating where they were stocked in the UK.

positive reviews and recognition from wine critics. I also accept Mr Tritton's submission that the UK market for wines is extremely fragmented. It is doubtful that any mark will have more than a tiny share of the overall market. In that context, I find that the distinctive character of SANTA RITA has been somewhat enhanced by the use made of it. In my judgment, the mark had a high level of distinctiveness at the relevant date.

Average consumer

60. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*¹³.

61. The relevant average consumer is primarily an adult member of the general public who drinks alcoholic beverages, or buys them for others. Those in the on-trade, such as restaurant operators who buy wines to sell to their customers, are also relevant. In my view, all such consumers will pay an average degree of attention when selecting the goods.

Likelihood of confusion

62. The third party witnesses who gave evidence on behalf of the applicant offered their opinions about the likelihood of confusion. Similarly, the evidence tendered by Mr Tennant on behalf of Lanchester included a letter from a Master of Wine called Dermot Nolan which offered his opinion about the likelihood of confusion. Neither counsel relied on this evidence at the hearing. They were, of course, right to avoid doing so. The ultimate question of whether there is a likelihood of confusion is a matter for the tribunal, not for the witnesses¹⁴. It is a jury question and I am the jury for this purpose.

63. The goods at issue are usually bought only after the trade mark has been seen. Even where the goods are purchased in a bar the products are likely to be ordered from a list of products or selected from bottles visible at the bar. Further, even where they are ordered purely by word of mouth it is not appropriate to take account of abnormal marketing conditions, such as a noisy bar environment¹⁵. Therefore visual similarities and differences are more important in this case than aural similarities and differences¹⁶.

¹³ Case C-342/97

¹⁴ *esure Insurance Ltd v Direct Line Insurance Plc*, [2008] EWCA Civ 842 at paragraph 62

¹⁵ See *Rani Refreshments FZCO v OHIM*, Case T-523/12

¹⁶ See, by analogy, *Quelle AG v OHIM*, Case T-88/05

64. As a general rule, the beginnings of marks make more impact than the endings¹⁷. However, this is not always decisive¹⁸. Accepting that the average consumer will see the earlier marks as wholes, I find that the average consumer is likely to place as much, or more, weight on the RITA part of the earlier marks than on SANTA. This is because, even though it is the second word, RITA is the more distinctive element. Further, if the average consumer knows that SANTA means SAINT, the focus naturally shifts to the name of the saint.

65. Lanchester's strongest point, in my view, is covered by my findings that the earlier marks have only a low (SANTA RITA SR) or low-to-medium (SANTA RITA) degree of similarity to the contested mark.

66. Set against this is that the respective goods are identical when it comes to wines. And this applies to all the goods where the comparison is between the contested mark and SANTA RITA SR.

67. Further, the earlier marks (particularly the common element RITA) are highly distinctive for wines, and of above average distinctiveness for all the goods at issue. Further still, the visual similarity between the parties' marks is accompanied by a common "Spanish flavour".

68. There is no evidence of actual confusion, despite the evidence that Lanchester's mark is in use. However, this is not of any great significance where, as here, there is no evidence as to the extent of the use of the contested mark in the UK¹⁹. Further, particularly where the applicant's case is based partly on indirect confusion, the absence of evidence of confusion may simply be the result of any confusion being complete.

69. Mr Tritton submitted that the RITA element of the earlier marks was unique and highly distinctive, like the word EMILION in the well known wine designation SAINT EMILION. The use of EMILION in relation to wines would be bound to make consumers think there was a commercial connection with SAINT EMILION wines. Likewise, the use of RITA in the contested mark would make average consumers think that ALTA RITA estates wines were connected with SANTA RITA wines. This was particularly the case as it is relatively common in the wine market for "sister" brands to share a common element. The applicant's witnesses cite a number of examples, such as CHATEAU MOUTON ROTHSCHILD/MOUTON CADET.

70. In *L.A. Sugar Limited v By Back Beat Inc*²⁰, Mr Iain Purvis Q.C. as the Appointed Person noted that:

¹⁷ See *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

¹⁸ See *CureVac GmbH v OHIM*, Case T-80/08

¹⁹ See Kitchen L.J.'s judgment in *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220 at paragraph 80

²⁰ Case BL-O/375/10

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

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

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

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

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

71. The factors set out above lead me to find that there is a likelihood of confusion if the parties’ marks are used concurrently in relation to wines. There is a likelihood of a certain amount of direct confusion through average consumers imperfectly recollecting ALTA RITA estates for SANTA RITA, or vice versa. I doubt that the extent of such confusion would be sufficient by itself. However, there is also a likelihood of more extensive indirect confusion: of consumers believing that ALTA RITA estates is a sister brand of SANTA RITA. I accept that the case is not as strong as in the example given by Mr Purvis at paragraph 17(a) of his judgment in *L.A. Sugar Limited* (above). However, he no doubt gave that example because it so clearly illustrates his point. Matters are seldom so clear cut in real cases.

72. I do not think it likely that all average consumers will be confused. This does not appear to be necessary. As Floyd L.J. stated in *J.W.Spear & Sons Ltd and Others v*

*Zynga Inc.*²¹, when summing up the Court of Appeal's earlier judgment in *Interflora Inc. and another v Marks and Spencer plc*²²:

"37. In relation to what the court described as the crucial question, namely whether the average consumer, as a hypothetical person, necessarily has a single reaction and so precludes a consideration of the perceptions of a proportion of the relevant public the court in *Interflora* identified the following propositions:

i) the average consumer test provides the court with a perspective from which to assess the particular question it has to decide, for example whether a statement is liable to mislead purchasers.

ii) a national court may be able to assess this question without the benefit of a survey or expert evidence.

iii) a national court may nevertheless decide, in accordance with its own national law, that it is necessary to have recourse to an expert's opinion or a survey for the purpose of assisting it to decide whether the statement is misleading or not.

iv) absent any provision of EU law dealing with the issue, it is then for the national court to determine, in accordance with its own national law, the percentage of consumers misled by the statement that, in its view, is sufficiently significant in order to justify banning its use."

The court's judgment was concerned with infringement under s.10 of the Act. However, the same reasoning must apply, by analogy, to the identical provisions of s.5.

73. I find that a significant proportion of average consumers are likely to be confused by the concurrent use of SANTA RITA and the contested mark in relation to wines. I doubt that the level of similarity between the marks is sufficient to cause confusion if ALTA RITA estates is used in relation to the other goods for which it is registered. However, having regard to the fact that the applicant's other earlier mark - SANTA RITA SR - is registered and entitled to protection in relation to all the goods for which the contested mark is registered, I find that there is also a likelihood of confusion as a result of the use of ALTA RITA estates for spirits and liqueurs, alcopops, and alcoholic cocktails.

74. The ground for invalidation of the contested mark based on s.5(2)(b) therefore succeeds in full.

²¹ [2015] EWCA Civ 290

²² [2014] EWCA Civ 1403

Section 5(3)

75. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) 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.

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

(c) 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.

(d) 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

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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*).

Reputation?

76. The parties take opposing positions on the issue of whether the applicant's SANTA RITA mark had acquired a qualifying reputation for wines by the relevant date. The test for 'reputation' was set out by the CJEU in *General Motors*. The earlier mark must be known by 'a significant part' of the relevant public. Some commentators have regarded this as setting a low threshold. In *Iron & Smith kft v Unilever NV*²³, the CJEU was asked whether a CTM with a reputation 'in the Community', but not in the member state where infringement was alleged, was capable of being infringed under provisions of the Community Trade Mark Regulation broadly equivalent to s.5(3) of the Act. The court answered that:

“If the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which registration of the later national mark concerned by the opposition has been applied for, the proprietor of the Community trade mark may benefit from the protection introduced by Article 4(3) of Directive 2008/95 where it is shown that a commercially significant part of that public is familiar with that mark, makes a connection between it and the later national mark, and that there is, taking account of all the relevant factors in the case, either actual and present injury to its mark, for the purposes of that provision or, failing that, a serious risk that such injury may occur in the future.”

²³ Case C-125/14

77. A Community trade mark may therefore be known to “a significant part of the public concerned by the products or services covered by that trade mark” in the Community, without meeting that threshold in a particular Member State. Nevertheless, provided that the mark is known to “a commercially significant part of” the relevant public in the Member State it is entitled to extended protection on account of its reputation in the Community. It is apparent from the court’s judgment that the latter requirement is intended to cover situations where there is a lower, but still significant, degree of recognition of the CTM in the Member State. This is confirmed by other language versions of the judgment. The French version says that a “commercially non-negligible” part of the relevant public in the Member State must be aware of the earlier CTM and make a link with the later national trade mark. By parity of reasoning, the requirement for a qualifying reputation for a national trade mark, as set out in *General Motors*, must be higher than the [lower] threshold of recognition amongst a ‘non-negligible’ part of the relevant public, as set out in *Iron & Smith*.

78. Taking this into account, I accept that it is borderline whether SANTA RITA had a qualifying reputation for wines in the UK at the relevant date. However, for the reasons given at paragraph 59 above (particularly the length of time that the mark has been present on the UK market and the public recognition it has received) I find that SANTA RITA had such a qualifying reputation for wines.

Link?

79. The next issue is whether the relevant public will make a link between the marks. If I am right that there is a likelihood of confusion, then it follows that the public will make a link. However, even if I am wrong about this, I find that a significant part of the relevant public – being adult members of the general public – will make a link between the marks²⁴, if the contested mark is used in relation to wines. Neither the relatively modest level of the reputation of SANTA RITA, nor the fact that the public have so far only seen the word used in the combination SANTA RITA, undermines this conclusion. This is essentially because, on the evidence, RITA is a highly distinctive element of the applicant’s mark for table wines. Given the longstanding and virtually unique use of that word in the applicant’s mark for table wines, its appearance in another mark for wines is likely to be sufficient to bring the SANTA RITA mark to mind to, at least, a commercially significant part of the relevant public. In reaching this conclusion I have taken into account that there is nothing about the way in which the word RITA is used in ALTA RITA estates which counters the probability that the contested mark will call SANTA RITA to mind (such as might be the case, for example, with RITA HEBLIN, where RITA appears as a forename and as part of a full name).

²⁴ A lower level of similarity between the marks may be sufficient for s.5(3) to apply: see *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P

80. If the contested mark is used in relation to alcoholic beverages other than wines, I find that the relatively modest level of the reputation of the SANTA RITA mark is insufficient to cause consumers to bring the SANTA RITA mark to mind. It follows that the ground for invalidation based on s.5(3) fails insofar as it is directed at the registration of ALTA RITA estates for spirits and liqueurs, alcopops, and alcoholic cocktails.

Unfair advantage?

81. Lanchester has not claimed that it has 'due cause' to use the contested mark, even if the registration of the contested mark would otherwise have offended s.5(3) . Consequently, there is no need for me to consider whether the 'due cause' exception applies.

82. Not all SANTA RITA wines are premium wines, such as the "legendary" Casa Real 1999. Some of the wines shown in the evidence are mid-priced wines retailing at around £8 per bottle. Nevertheless, the evidence supports the applicant's contention that SANTA RITA has a reputation for quality wines. The evidence shows that the contested mark is being used in relation to, inter alia, wines sold in boxes. These tend to be at the budget end of the market. In my judgment, there is a serious non-hypothetical risk that the link between the marks will result in the SANTA RITA's reputation for quality wines transferring to the wines marketed under ALTA RITA estates. This will make it more likely that UK consumers will buy wines under the contested mark. I therefore find that, when used in relation to wines, the contested mark takes advantage of the reputation of SANTA RITA.

83. There is some uncertainty as to whether the judgment of the CJEU in *L'Oreal v Bellure* means that an advantage gained by the user of a junior mark is only unfair if there is an intention to take advantage of the senior mark, or some other factor is present which makes the advantage unfair. The English Court of Appeal has considered this matter three times. Firstly, in *L'Oreal v Bellure*²⁵. Secondly, in *Whirlpool v Kenwood*²⁶. Thirdly, in *Specsavers v Asda Stores Limited*²⁷. On each occasion the court appears to have interpreted *L'Oreal v Bellure* as meaning that unfair advantage requires something more than an advantage gained without due cause.

84. However, in *Jack Wills Limited v House of Fraser (Stores) Limited*²⁸ Arnold J. considered the earlier case law and concluded that:

²⁵ [2010] RPC 23

²⁶ [2010] RPC 2: see paragraph 136

²⁷ [2012] EWCA Civ 24: see paragraph 127

²⁸ [2014] EWHC 110 (Ch)

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

85. If it is sufficient that the contested mark objectively takes advantage of the reputation of SANTA RITA for wines, then I find that s.5(3) applies and ALTA RITA estates was invalidly registered for wines.

86. If it is necessary for there to be some additional factor in order for the advantage to be unfair, then I find that it is present in this case. This is because the evidence establishes that Lanchester was fully aware of the reputation of the SANTA RITA mark at the time it adopted the contested mark. I do not accept the explanation for Lanchester's adoption of the contested mark provided by Mr Tennant. My reasons for this are as follows:

- i) Mr Tennant's explanation appears to be hearsay. No evidence has been given by anyone with first hand knowledge of Lanchester's reasons for the adoption of the ALTA RITA estates mark.
- ii) The explanation given, that Lanchester chose the mark after finding out that its previously preferred mark - ALTA RIA – was unavailable, explains why ALTA RIA was not adopted. It does not explain why ALTA RITA estates was chosen instead. This is particularly relevant in circumstances in which Lanchester could have chosen any available alternative mark.

87. Mr Moss suggested that it was not open to me to reject Mr Tennant's evidence because he had not been cross examined on it²⁹. This would have been an important factor if Lanchester had filed evidence from someone with first hand knowledge of the events resulting in the adoption of the contested mark. However, as Mr Moss had to accept, all that Mr Tennant could have said, if he had been called for cross examination, is that his evidence is what he was told. Without claiming to have first hand knowledge of Lanchester's adoption of the contested mark, he could not have confirmed the truth of the statements he made on Lanchester's behalf.

²⁹ Citing Richard Arnold QC as the Appointed Person (as he then was) in *Extreme Trade Mark*: BL O/161/07

Therefore, the absence of cross examination does not prevent me from finding that the truth of those statements has not been established and/or they are an incomplete/ inadequate explanation for Lanchester's adoption of the contested mark.

88. Having rejected Mr Tennant's explanation as insufficient, I draw the clear inference from the facts set out above: that Lanchester adopted the contested mark, at least in part, in order to benefit from an association with the SANTA RITA mark. Consequently, even if it is necessary for the applicant to establish that Lanchester intended to take unfair advantage of the SANTA RITA mark, or acted without due regard to its duty to compete fairly with the owner of that mark, the s.5(3) grounds is made out.

Detriment to the reputation of the SANTA RITA mark?

89. In *Unite The Union v The Unite Group Plc*³⁰, Ms Anna Carboni as the Appointed Person considered whether a link between an earlier mark with a reputation and a later mark with the mere potential to create a negative association because of the identity of the applicant or the potential quality of its goods/services was sufficient to found an opposition based on detriment to reputation. She said:

“46. Indeed, having reviewed these and other opposition cases, I have not found any in which the identity or activities of the trade mark applicant have been considered in coming to a conclusion on the existence of detriment to repute of an earlier trade mark. I can understand how these matters would form part of the relevant context in an infringement case, but I have difficulty with the notion that it should do so in an opposition. After all, many, if not most, trade mark applications are for trade marks which have not yet been used by the proprietor; some are applied for by a person or entity that intends to license them to a third party rather than use them him/itself; and others are applied for by an entity that has only just come into existence.

47. I do not exclude the possibility that, where an established trading entity applies to register a mark that it has already been using for the goods or services to be covered by the mark, in such a way that the mark and thus the trader have already acquired some associated negative reputation, perhaps for poor quality goods or services, this fact might be taken into account as relevant “context” in assessing the risk of detriment to repute of an earlier trade mark. But I would hesitate to decide an opposition on that basis without having had confirmation from a higher tribunal that it would be correct to take such matters into account.”

90. In this case there is evidence that Lanchester has been using the contested mark in relation to boxed wines. There is nothing wrong with box wines *per se*, but the use of a mark in relation to wines associated with the budget end of the market that is likely to cause a significant part of the public to make a link with an established mark

³⁰ Case BL O/219/13

for wines in the mid range and premium end of the market, is liable to damage the reputation of the earlier mark. This is because consumers chose wines based partly on their perceived quality and image. An association in consumers' minds between ALTA RITA estates for box wines and SANTA RITA for mid range and premium wines is a negative association for SANTA RITA. It is liable to impair the image and perceived quality of SANTA RITA wines. This is likely to result in a change in the economic behaviour of consumers, i.e. consumers will be less likely to buy SANTA RITA wines.

91. I therefore find that the s.5(3) ground based on detriment to the reputation of the SANTA RITA mark is also made out (insofar as the registration of the contested mark for wines is concerned).

Detriment to the distinctive character of the SANTA RITA mark?

92. Having already found that the contested mark was registered contrary to s.5(2)(b) and s.5(3) (for wines) for other reasons, I do not find it necessary to fully examine the further s.5(3) ground based on detriment to the distinctive character of the SANTA RITA mark. It is sufficient for me to note that, in my view, it takes the applicant's case no further.

Overall outcome

93. The application for invalidation succeeds in full. Subject to appeal, registration 3011548 will be cancelled and deemed never to have been made.

Costs

94. The applicant has been successful and is entitled to a contribution towards its costs. In the circumstances I award the applicant the sum of £2900. The sum is calculated as follows:

- £300 for filing the application for invalidation
- £200 official filing fee for Form TM26(I)
- £1400 for filing evidence and considering Lanchester's evidence
- £1000 for attending the hearing and filing a skeleton argument

95. I therefore order Lanchester Wine Cellars Limited to pay Sociedad Anonima Vina Santa Rita the sum of £2900. The above sum should be paid within 14 days of the expiry of the appeal period or, if an appeal is filed, within 14 days of the conclusion of the appeal proceedings.

Dated this 15th day of January 2016

**Allan James
For the Registrar**