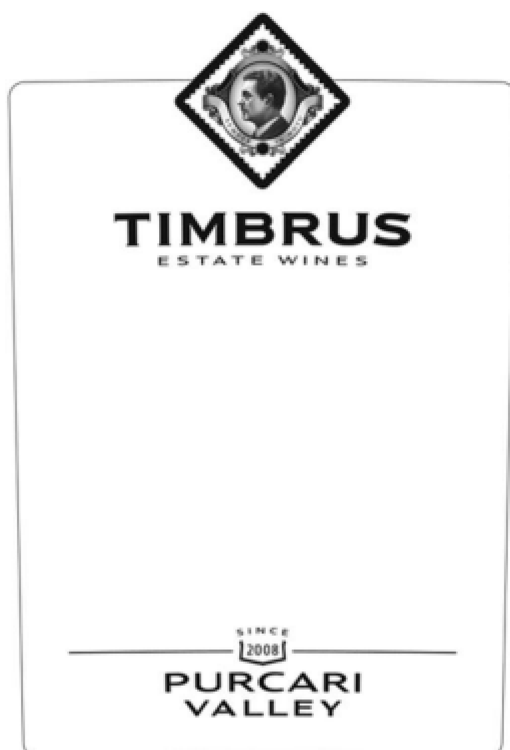
BL O/0267/24

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO. WO0000001574226

DESIGNATING THE UK

BY TIMBRUS PURCARI ESTATE S.R.L.:



IN CLASS 33

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 426107

BY VINARIA PURCARI S.R.L

AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON

BY THE OPPONENT

AGAINST A DECISION OF S WILSON

DATED 5 JUNE 2023

DECISION

Introduction

1. This is an appeal from a decision of S Wilson, acting for the Registrar, dated 5 June 2023, in which she found that the opposition by Vinaria Purcari S.R.L. (“the Appellant or the Opponent”) failed against the registration in the UK in the name of Timbrus Purcari Estate S.R.L. (“the Holder” or “the Respondent”) of international trade mark number 1574226 for the mark shown above (“the Trade Mark”).

2. The Holder sought protection for the Trade Mark in relation to the following goods:

   Class 33: *Alcoholic beverages, except beers; alcoholic preparations for making beverages.*

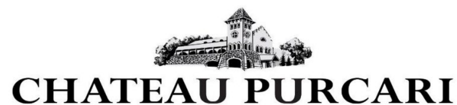
3. The opposition was based on sections 3(3)(b), 3(6), 5(2)(a), 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). The Appellant only appealed in relation to sections 3(6), 5(2)(b) and 5(3), with the appeal in relation to section 5(2)(b) being limited to just one earlier mark owned by the Appellant, being the EU designation of International Registration No. 1528808 for the following mark (“the Earlier Mark”):

registered in respect of:

Class 33: *Alcoholic beverages except beer and wine; Wines complying with the definition/conditions of use of the traditional term for 'Château' wines.*

4. Under the s.5(3) ground, the Appellant relied on its reputation in the Earlier Mark as well as in three other earlier marks in relation to all the goods and services for which they were registered, as follows:

EUTM no. 18091616 registered in respect of goods in class 33



EUTM no. 18189289 registered in respect of goods and services in classes 33 and 35

EUTM no. 18190691 registered in respect of goods and services in classes 33 and 35.

5. Under s.3(6) the Appellant claimed that there was a deliberate attempt to misappropriate a trade mark of a direct competitor and to benefit from the Appellant's reputation. The Respondent claimed that it grew the grapes used to produce its wines in the Purcari region of Moldova and so was entitled to use the word Purcari as a geographical indicator.

6. Both parties filed evidence in chief, the Opponent filed evidence in reply, neither party requested a hearing and only the Opponent filed written submissions in lieu.

<u>The Hearing Officer's Decision</u>

7. I summarise below the Hearing Officer's findings on the various grounds of opposition which are relevant to the appeal.

Section 3(3)(b):

8. This ground concerned whether the use of PURCARI in the Trade Mark was deceptive as to the geographical origin of the goods. Both parties accepted that Purcari is a wine-producing region in Moldova, with an international reputation for those goods. The Opponent claimed that the Holder did not grow its grapes or produce its wine in that region and so was not entitled to use that name as part of its trade mark as to do so would deceive or mislead the public as to the geographical origin of its goods. The Respondent accepted that, while its grapes were grown in Purcari village, its wine was not produced there. The Hearing Officer found in paragraph 24 of the Decision that *"the relationship between the location in which the grapes are grown and the wine itself is so strong that it cannot be said to be misleading as to geographical origin to include the location in which the grapes were grown, even if the wine was then produced elsewhere."*.

9. She continued at paragraph 25 of the Decision:

"In any event, the above case law makes it clear that in order for an objection under section 3(3)(b) to be successful, the deception must have a material effect on consumer behaviour. Even if the opponent had been able to demonstrate that the holder was not producing goods

connected with the PURCARI region, there is no evidence before me to suggest that that would have any material effect on the behaviour of the UK consumer. There is no evidence before me to suggest that grapes grown/wine produced in that region have any reputation amongst the UK public, such that marking goods as originating from that place would encourage the consumer to purchase them.".

10. She therefore concluded that the opposition under s.3(3)(b) failed. This ground was not appealed, but I mention it because her findings on the lack of reputation in the UK are relevant to the grounds which were appealed.

Section 5(2)(b):

11. With respect to the Earlier Mark, the Hearing Officer found that the respective marks were visually similar to a low degree, aurally dissimilar (or aurally similar to no more than between a low and medium degree if the word PURCARI in the Trade Mark was articulated), and conceptually similar to a low degree *"at best"*. If the average consumer would not identify the word PURCARI as a place name, which she thought it was unlikely that they would, then the Earlier Mark was inherently distinctive to a reasonably high degree, but if it was recognised as the name of a place where the fruit was grown and/or the products were made, then it was not distinctive to more than a medium degree. She was not satisfied that the distinctiveness of the Earlier Mark had been enhanced through use. The term *"alcoholic beverages, except beers"* was identical to goods covered by the Earlier Mark under the *Meric* principles, and *"alcoholic preparations for making beverages"* was found to be similar to a medium degree. The average consumer would pay a medium level of attention when purchasing the goods. Visual considerations would dominate the selection process, although aural components were relevant as advice may be sought from retail assistants and orders may be placed aurally in bar/restaurant environments.

12. Taking into account all those factors, the Hearing Officer concluded that there was no likelihood of direct or indirect confusion, so the opposition under s.5(2)(b) was dismissed.

Section 5(3)

13. The opposition failed under this ground because the Hearing Officer found that, in the absence of a significant reputation in the UK, there would be no link in the minds of the relevant UK public, and in any event, the marks were too far apart for a link to be made.

Section 3(6)

14. The Hearing Officer dismissed the appeal under this ground because the Holder did have an intention to use the Trade Mark in relation to goods produced in Purcari, and there was no deliberate attempt to misappropriate the Opponent's mark because the use of the words PURCARI VALLEY would not lead to any confusion or link.

The Appeal

15. The Opponent filed a Notice of Appeal to the Appointed Person under s.76 of the Act. At the hearing before me, which was held remotely, the Opponent was represented by Matt Sammon of Sonder & Clay. The Respondent filed a Respondent's Notice but did not attend the hearing.

Standard of review

16. It is well established that in order to interfere with the decision of the Hearing Officer I must be satisfied that there was a distinct and material error of principle in the decision or that the Hearing Officer was wrong. The relevant principles were set out in *Axogen Corporation v Aviv Scientific Limited* [2022] EWHC 95 (Ch) at [24]. An appeal is by way of review, not a rehearing. Neither surprise at a Hearing Officer's conclusion nor a belief that she or he has reached the wrong decision will justify interference. The decision of the lower court will be *"wrong"* if the judge makes an error of law, which might involve asking the wrong question, failing to take account of relevant matters or taking into account irrelevant matters. In the absence of an error of law, the appellate court would be justified in concluding that the decision of the lower court was wrong if the judge's conclusion was *"outside the bounds within which reasonable disagreement is possible"* (*Actavis Group* at [80]). In the case of a multifactorial assessment or evaluation, involving the weighing of different factors against each other, the appeal court should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions (*TT Education v Pie Corbett Consultancy* [2017] RPC 17 at [52(iv)], *REEF Trade Mark* [2003] RPC 5 at [28] and *Fine & Country Ltd v Okotoks Ltd* [2014] FSR 11 at [50]-[51]).

17. In a recent trade mark appeal in *Stitch Editing Limited v. TikTok Information Technologies Ltd* [2023] EWHC 1167 (Ch), Sir Anthony Mann said at paragraphs [6] to [8]:

> *"6. The correct approach to appeals such as this has recently been confirmed in the decision of Richards J in Instagram LLC v Meta 404 Ltd [2023] EWHC 436 (Ch). In that*

case (which was another trade marks appeal case) the judge followed the guidance to be applied in appeals generally and set out in Volpi v Volpi [2022] EWCA Civ 464.

> *"i) An appeal court should not interfere with the trial judge's conclusions on primary facts unless it is satisfied that he was plainly wrong.*
>
> *ii) The adverb "plainly" does not refer to the degree of confidence felt by the appeal court that it would not have reached the same conclusion as the trial judge. It does not matter, with whatever degree of certainty, that the appeal court considers that it would have reached a different conclusion. What matters is whether the decision under appeal is one that no reasonable judge could have reached.*
>
> *iii) An appeal court is bound, unless there is compelling reason to the contrary, to assume that the trial judge has taken the whole of the evidence into his consideration. The mere fact that a judge does not mention a specific piece of evidence does not mean that he overlooked it.*
>
> *iv) The validity of the findings of fact made by a trial judge is not aptly tested by considering whether the judgment presents a balanced account of the evidence. The trial judge must of course consider all the material evidence (although it need not all be discussed in his judgment). The weight which he gives to it is however pre-eminently a matter for him.*
>
> *v) An appeal court can therefore set aside a judgment on the basis that the judge failed to give the evidence a balanced consideration only if the judge's conclusion was rationally insupportable.*
>
> *vi) Reasons for judgment will always be capable of having been better expressed. An appeal court should not subject a judgment to narrow textual analysis. Nor should it be picked over or construed as though it was a piece of legislation or a contract."*

7. So far as the decision below is evaluative, an appellate court should also approach the appeal with caution:

> *"76. So, on a challenge to an evaluative decision of a first instance judge, the appeal court does not carry out a balancing task afresh but must ask whether the decision of the judge was wrong by reason of some identifiable*

flaw in the judge's treatment of the question to be decided, "such as a gap in logic, a lack of consistency, or a failure to take account of some material factor, which undermines the cogency of the conclusion". (Re Sprintroom Ltd [2019] EWCA Civ 932)

8. And last, as Richards J observed in Instagram, proper respect should be paid to the decision of an expert tribunal in the field in question:

"26. Finally, it is relevant to observe that this is an appeal from a tribunal with particular expertise. As Lady Hale observed in AH (Sudan) v Secretary of State for the Home Department [2007] UKHL 49 at paragraph 30, the court should approach the appeal on the basis that it is probable that an expert tribunal, charged with applying the law in their specialist field, has probably got it right.""

18. I have borne those principles firmly in mind.

Grounds of Appeal

19. I will follow the order for the grounds of appeal which the Appellant set out in its Grounds of Appeal and skeleton.

Section 3(6)

20. The Appellant asserted in its Grounds of Appeal that this ground was based on the Applicant's deliberate attempt to misappropriate the trade mark of a direct competitor, which amounted to dishonest behaviour. It alleged that the Hearing Officer incorrectly applied the law and failed to properly assess the evidence in relation to bad faith.

21. There was no criticism of the summary of the law applicable to bad faith, which the Hearing Officer set out in paragraphs 70 to 73 of the Decision. However, the Appellant referred in particular to paragraph 68(4) of the Court of Appeal's decision in *Sky Limited & Ors v Skykick, UK Ltd & Ors* [2021] EWCA 1121, set out in paragraph 71 of the Decision:

"4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: Hasbro at [41]."

22. The Appellant asserted that the Hearing Officer *"made an objective assessment as to whether the behaviour complained of gained an advantage for the Applicant and not an assessment of the subjective motivation of the Applicant".* The Hearing Officer failed to conduct *"an overall assessment, taking into account all the relevant factors of the case and an examination of the Applicant's intention at the time the mark was filed"*.

23. The Hearing Officer set out her conclusions on bad faith as follows:

> *"75. It appears, therefore, that the opponent claims that the holder has been pursuing the objective of 1) filing a mark with no intention to use it, 2) filing a mark that if amendments were made to the specification in the future to limit the goods to those produced in the region of PURCARI that the application would then have been made in bad faith and 3) that the holder has included the word PURCARI in its trade mark in a deliberate attempt to misappropriate the trade mark of the opponent and in order to benefit from the opponent's reputation.*
>
> *76. The second of these objectives is not, in my view, a basis for a bad faith claim. Ultimately, the application in question does not include a limitation that the goods only be produced in a specified region. In any event, adding a limitation after publication inevitably means adding it after the date the holder designated the UK for protection of the IR, and consequently after the relevant date. I accept that the first and third objectives, listed above, could be the basis of a bad faith objection.*
>
> *77. However, I am not satisfied that the opponent has made out a prima facie case of bad faith. In relation to the first objective, the opponent has put forward no evidence to suggest that the holder has no intention to use the mark. Indeed, it seems that the real basis of the opponent's claim is that the holder has no intention to use the mark <u>in relation to goods produced in PURCARI</u>. However, for the reasons already stated, I dismiss this line of argument. In relation to the third objective, I have already explained why I do not consider that the inclusion of the words PURCARI VALLEY in the IR would lead to any confusion/link on the part of the average consumer and so I can see no basis for a claim that the application has been filed in a deliberate attempt to misappropriate the opponent's mark. It may very well be the case that the opponent is the best known producer of wine in that region in Moldova, however, there is no evidence that that would be known by the UK relevant public and, even if it was, it would not prevent other businesses from using the word*

PURCARI as a geographical indicator of the origin of their goods, if they genuinely are producing goods from natural products grown in that region.

78. The opposition based upon section 3(6) is dismissed."

24. Of the three objectives identified by the Hearing Officer in paragraph 75, the Appellant limited its appeal to the third one.

25. The Hearing Officer's conclusion on the third objective was that, because there was no likelihood of confusion or of UK consumers establishing a link between the respective marks due to a lack of a sufficient reputation in the UK for the Trade Mark, then there was no basis for concluding that the Trade Mark was filed in a deliberate attempt to misappropriate the Opponent's PURCARI sign.

26. At the hearing before me, Mr Sammon argued that the Hearing Officer erred by making an objective decision on the likelihood of success of the mark being appropriated, rather than examining whether that was, in fact, their intention. Had the Hearing Officer reviewed all of the evidence correctly, she would have found this subjective intention established.

27. The Appellant's case was that although wine had been produced in the Purcari village in Moldova since the end of the 19th Century, the village did not become well known for winemaking until the Appellant started investing heavily there and began production in 2003. It was not until 2016, 13 years later, that the Respondent entered the market, making deliberate attempts to benefit from the Appellant's reputation. In particular, Mr Sammon took me to an investigation report issued in relation to a case initiated by the Competition Council in Moldova regarding alleged unfair competition actions carried out by the Respondent against the Appellant.

28. It appears from the document that the complaint related to an allegation that it was an act of unfair competition for the Respondent to use the expression PURCARI ESTATE on the labels of its wine suggesting that the wine was produced in Purcari village, when it fact it was produced elsewhere. The report concludes that it is *"proposed"* to the Competition Council to order the Respondent to *"stop the unfair competition actions acknowledged by changing the approach in the context of the labelling of its products"*.

29. The resulting decision of the Competition Council also formed part of the evidence. In its decision, the Competition Council stated "although, **the use of the toponym "Purcari" is allowed for the economic activity of the defendant company, it must also be fair** …" (the text shown in bold appeared in bold in the decision). It concluded that the Respondent *"took*

actions to appropriate the clientele of [the Appellant] by misleading the consumers regarding the manufacturing place of its products, and also creating confusion among customers by the unfair use of the place name "Purcari" and the illegal use of the combination "Purcari Estate", both legally used by [the Appellant]". The Respondent was required to pay a fine and stop its unfair competition acts by withdrawing from the market until 1 January 2021 all products which did not *"correspond to the fair use of the toponym "Purcari" in relation to [the Appellant] and the intellectual property rights belonging to it"*. It is not clear from the decision what those intellectual property rights were and accordingly what use of PURCARI would be permissible on the Respondent's labels, save that some use of PURCARI appeared to be permissible. I note that the phrase PURCARI VALLEY rather than PURCARI ESTATE appears on the Trade Mark, so the labelling under consideration by the Competition Council in the case referred to above was not the same as the Trade Mark.

30. The Appellant also referred to an exhibit of one of the witness statements filed in support of the Opposition consisting of a photograph of the house of one of the Respondent's employees, which was given as the address of the Respondent's headquarters. The Appellant expressed surprise that the Respondent's headquarters would be a room rented from one of its employees. I was also taken to another exhibit which showed a photograph of the Appellant's winery. The Appellant complained that the Respondent had used an image of the Appellant's winery to advertise its own wine. Mr Sammon accepted that the advert was not a UK-based advert but said that it demonstrated the subjective motivation of the Respondent.

31. I do not agree that this evidence demonstrated a dishonest intention or other sinister motive by the Respondent in relation to acts undertaken in the UK in relation to the Trade Mark. It may have been the case that the Respondent recognised that the UK consumer would not be aware of the Opponent and decided to use a different label and different trade marks in the UK.

32. In order to determine the subjective intention of the Respondent, it was necessary for the Hearing Officer to examine the objective circumstances of the case from the evidence - see *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH,* Case C-529/07 EU:C:2009:361:

> *"41. Consequently, in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.*

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case."

33. I am satisfied that the Hearing Officer did undertake a review of the evidence in order to ascertain the objective criteria on which to reach her conclusion as to the subjective intention of the Respondent. In a situation where, as the Hearing Officer found, the Appellant does not have a reputation in the UK in relation to the word PURCARI, and that the use of the word PURCARI in the Trade Mark was highly likely to be perceived by UK consumers as referring to a place, it was a reasonable conclusion to reach that the evidence did not show that the Respondent had a subjective intention to misappropriate the Appellant's (alleged) reputation in the PURCARI mark in the UK, as there would have been no benefit in doing so.

34. The appeal under s.3(6) therefore fails.

35. Section 5(2)(b)

36. The Appellant submitted that the Hearing Officer made a clear error in assessing the similarity of the marks and the risk of confusion.

37. I set out below the Hearing Officer's findings in relation to the overall impression of the Trade Mark and the Earlier Mark, the visual, aural and conceptual similarities, and the inherent distinctiveness of the Earlier Mark (the Appellant did not appeal the Hearing Officer's finding of no enhanced distinctiveness through use):

"<u>The Overall Impression</u>

35. The IR consists of the word TIMBRUS in large standard font above the words ESTATE WINES, which appear in much smaller font. Above these words is a diamond male profile device and beneath them are the words PURCARI VALLEY and a small device containing the words SINCE 2008 which intersects a horizontal line. Surrounding all of this is a curved corner, rectangular border. Given its size and positioning within the mark, it is the word TIMBRUS that plays the greater role in the overall impression. The diamond man's profile device also plays a significant (but lesser) role. The words ESTATE WINES, SINCE 2008 and PURCARI VALLLEY [sic] *and the outline/border all play a lesser role due to their size and positioning. The fact that these words all appear to describe characteristics of the goods i.e. that they come from a wine estate, that they began being produced in 2008 and that they originate*

from a place called PURCARI VALLEY, also means that they are non-distinctive elements of the mark.

36. … The Fourth Earlier Mark consists of the word PURCARI presented in standard font beneath the same building device and above the word CHATEAU (in much smaller font). In large letters beneath these words is the number 1827 above the word SINCE (again, presented in much smaller font). All of these elements are surrounded by a rectangular border. In my view, the word PURCARI and the number 1827 play the greater role due to their size. However, 1827 is likely to be recognised as non-distinctive as it will indicate the date that production of the goods/the operation of the business began.

Visual Comparison

…

37. … The use of PURCARI before VALLEY also means that the average consumer is likely to identify it as the place from where the wine originates. Consequently, it will be perceived as a non-distinctive element of the IR.

…

39. The word PURCARI is common to both marks. However, the positioning of the word is entirely different. The marks do also share the common presentational style of a rounded corner rectangular border (appearing like a label). Bearing in mind the differences between the marks, I consider them to be visually similar to a low degree.

Aural Comparison

40. My primary finding is that the IR will be articulated as TIMBRUS (or possibly TIMBRUS WINE ESTATES). Given that the word PURCARI in the IR is followed by the word VALLEY, indicating a geographical location, I consider it unlikely that it will be articulated by the average consumer (being a non-distinctive element). If that is correct, then there is no aural overlap between the marks, other than between WINES/WINERIES in relation to the Third Earlier Mark. Consequently, I consider the marks to be aurally dissimilar/similar to a very low degree.

41. However, if I am wrong in this finding and the word PURCARI in the IR is articulated, bearing in mind the differences between the other elements of the

marks, I consider the marks to be aurally similar to no more than between a low and medium degree.

Conceptual Comparison

The IR and the Second and Fourth Earlier Marks

42. The word TIMBRUS in the IR is an invented word and, consequently, would convey no conceptual meaning. I consider it unlikely that, when seen on its own, the average consumer would recognise PURCARI as a place. However, when combined with the word VALLEY, it seems highly likely that they will recognise it as referring to a place. CHATEAU PURCARI will be perceived by average UK consumers as the name of a chateau called Purcari. The same applies to the word PURCARI in the Fourth Earlier Mark because it appears below a picture of a building and above the word 'Chateau' (albeit in small font). To the extent that there are average consumers who recognise the word PURCARI in the earlier marks as also being a place name, clearly there will be some conceptual overlap (albeit non-distinctive) arising from the fact that both parties' marks refer to the same place. However, in my view, that is the high point of the conceptual similarity between the marks. I consider it to be low (at best).

…

Distinctive character of the earlier trade marks

…

46. As noted above, I consider it unlikely that the average consumer will identify the word PURCARI as a place name in the earlier marks. If that is correct, then the earlier marks are all inherently distinctive to a reasonably high degree. However, if it is recognised as name [sic] *of the place where the fruit is grown and/or the products are made, then I do not consider any of them to be distinctive to any more than a medium (or average) degree as a whole."*

38. The Appellant argued that, given that both marks contained the word PURCARI, which the Hearing Officer had found to be inherently distinctive, the degree of visual similarity should be medium to high. Mr Sammon submitted that PURCARI was clearly the dominant element of the Earlier Mark, and the identical term appears in the Trade Mark. He accepted that the

word TIMBRUS was the dominant element of the Trade Mark but submitted that the word PURCARI still played a significant role within the mark.

39. The Hearing Officer had to compare the two marks as a whole. The Earlier Mark clearly features the numbers 1827 prominently, together with the image of the building and the word PURCARI, whereas the Trade Mark features prominent use of a stamp device and the word TIMBRUS as well as the words PURCARI VALLEY. I see no reason to interfere with the Hearing Officer's conclusions that, when considered as a whole, the respective marks only have a low degree of visual similarity. Nor do I see any error in her conclusions on aural or conceptual similarity.

40. With regard to the Hearing Officer's overall assessment of the likelihood of confusion, she summarised all of her findings in relation to the similarities of the marks in paragraph 59 of the Decision, before concluding as follows in relation to the likelihood of confusion between the Trade Mark and the Earlier Mark:

> *"60. Taking all of the above factors into account and bearing in mind the visual differences between the marks, and the predominantly visual purchasing process, I do not consider that the marks will be mistakenly recalled or misremembered as each other, even when used on identical goods. Consequently, I do not consider there to be a likelihood of direct confusion.*
>
> *…*
>
> *63. The only point of overlap between the marks is the element PURCARI. The parties both agree that this is a place in Moldova. For those average consumers who are aware of this, I see no reason for them to assume that the goods originate from the same or economically linked undertakings; the common use of the geographical place name will just be seen as a coincidence, both indicating goods that originate from the same place. Even those consumers who do not know that PURCARI is a place name, will perceive it as such when combined with the word VALLEY (as it is in the IR). This means that they will identify it as referring to the place of geographical origin. By contrast, the word PURCARI in the earlier marks appears in contexts in which indicates the trade origin of the goods. Consequently, I consider that when encountering the words PURCARI VALLEY in the IR, even if they are familiar with the opponent's marks, average UK consumers would not assume that the marks are used by the same or economically linked undertaking. At best, there might be a calling to*

mind, but that is mere association not indirect confusion. Consequently, I do not consider there to be a likelihood of indirect confusion.”

41. The Appellant accepted that direct confusion was relatively unlikely but submitted that there was a high probability of indirect confusion as a result of the common use of the word PURCARI and that it was common for wine producers to produce a wide range of wines under a single brand. However, the Hearing Officer’s conclusion was not that the consumer would recognise the use of the word PURCARI in the Trade Mark as use of a brand name by the Respondent, but rather as describing a geographical place, either because they are aware of the Purcari region in Moldova or because of its use next to the word VALLEY.

42. I therefore consider the Hearing Officer’ conclusions on direct and indirect confusion to be conclusions that a reasonable tribunal could have reached. The appeal fails under s.5(2)(b).

Section 5(3)

43. The Appellant alleged that the Hearing Officer failed to conduct a proper and fair assessment of this ground but seemed to dismiss it somewhat summarily without any detailed assessment of the evidence of European reputation.

44. The Appellant accepted that the Hearing Officer had undertaken a more detailed assessment under s.5(2)(b) in relation to whether or not the Earlier Mark had enhanced distinctiveness through use in the UK. The Hearing Officer summarised the evidence of use relied upon to establish enhanced distinctiveness in the UK in paragraph 47 of the Decision, and concluded as follows in paragraph 48:

> *“48. Clearly, the opponent has made sales in the UK market. However, they are far from extensive. I have no information about the advertising expenditure in the UK or any activities taken to promote the opponent’s goods in this jurisdiction. Whilst I recognise that the opponent has won awards in the past at a London-based wine competition, this is not sufficient, in my view, to counter the other deficiencies in the opponent’s evidence. I am not satisfied that the distinctiveness of the earlier marks has been enhanced through use.”*

45. It is relevant that the Appellant did not appeal this finding.

46. The Hearing Officer said the following at paragraph 68 of the Decision:

> *“68. As the opposition was filed prior to the UK leaving the EU, the opponent is entitled to rely upon EUTMs and, consequently, it is the EU market (which, at that*

time, included the UK) that is relevant for the purposes of assessing reputation. I can deal with this ground of opposition relatively swiftly. The first issue for the opponent is that, whilst it is the EU market that is relevant for assessing reputation, it must show a link in the mind of the UK relevant public. Even if the opponent's evidence, which admittedly is more compelling in respect of the EU as a whole, could establish the requisite reputation, no explanation has been put forward as to why a link would be made in the minds of the UK relevant public, in the absence of any significant reputation here. The second issue for the opponent is that, even leaving aside that issue, the marks are, in my view, too far apart for a link to be made in any event. For the reasons set out above, it seems far more likely to me that the average consumer will view the common word PURCARI as a coincidence, simply referring to goods that originate from the same geographical location. Consequently, I do not consider that a link would be made or that damage would occur."

47. The Hearing Officer therefore did accept that the evidence of reputation was more compelling in relation to the EU, but rejected the opposition under s.5(3), not on the grounds that the Appellant had failed to show a reputation, but on the basis that the Appellant had failed to show that a link between the respective marks would be made in the minds of the UK consumer, which is the relevant consumer when deciding whether a link would be made.

48. Mr Sammon took issue with the Hearing Officer's statement that "*no explanation has been put forward as to why a link would be made in the minds of the UK relevant public, in the absence of any significant reputation here."*. He referred me to paragraph 38 of the Appellant's submissions before the Hearing Officer, which gave two examples: (1) *"attempting to use the term PURCARI as a geographical indication, despite not being located in the region"* and (2) *"use of pictures of the Opponent's winery"*. However, neither of these examples explain why a link would be made in the mind of the UK consumer in light of the Hearing Officer's findings of lack of a sufficient reputation in the UK and the manner in which the word PURCARI would be perceived by the UK consumer in the Trade Mark.

49. I agree with the Appellant that the Hearing Officer's summary of her reasoning could have been more detailed, in particular by setting out her findings in relation to each of the *Intel* factors relevant to establishing a link However, having reviewed the evidence relating to the awareness of the UK consumer of the Appellant's Earlier Mark, I consider that the conclusions set out in paragraph 48 (which were not appealed) and paragraph 68 were ones

which a reasonable tribunal could have reached. I therefore see no reason to interfere with the Hearing Officer's rejection of the opposition under this ground.

50. Accordingly, the appeal under s.5(3) fails.

Conclusion

51. The appeal fails and is dismissed.

Costs

52. Since the appeal has been dismissed, the Respondent is entitled to a contribution towards its costs of the appeal. The Respondent filed a Respondent's Notice but did not file a skeleton argument or appear before me. I therefore make an order that the Appellant pays to the Respondent a contribution of £400 towards the costs of the appeal, to be added to the award of £2,050 made by the Hearing Officer, making a total of £2,450 to be paid within 21 days of the date of this decision.

Simon Clark
The Appointed Person
27 March 2024

Representation:

Appellant: Matt Sammon (Sonder & Clay)

Respondent: Did not appear