

TRADE MARKS ACT 1994

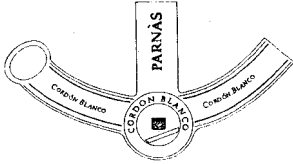

IN THE MATTER OF TRADE MARK APPLICATIONS
m 2024149, m 2024193 and m 2024195 TO REGISTER TRADE MARKS
IN THE NAME OF CORDORNIU SA

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER m 46037, m 46036 AND m 46035
BY FREIXENET SA

DECISION

Codorniu, S.A., Afueras, 08770 - Sant Sadurni D'Anoia, Barcelona, Spain applied on 16th June 1995 to register the marks shown in class 33 for the goods in the table following:

Application number	Mark	Goods	Opposition number
2024149		Alcoholic beverages	46037
2024193	PARNÀS CORDÓN BLANCO		46036
2024195			46035

Freixenet SA of Spain oppose each of the applications under the opposition numbers given above, subsequently consolidated. The opponents cite their grounds of opposition under ss 5(1), (2) and (3) of the Act, because they are the proprietors of the mark No. 1195921 FREIXENET-CORDON NEGRO (dated 13 May 1983) for 'Sparkling Wines' in Class 33, and state that CORDON NEGRO is entitled to protection under the Paris convention as a well-known trade mark. The opponents claim extensive use in the UK and say they have built up considerable goodwill under both marks.

The applicants deny these grounds and both parties ask for their costs. The Hearing took place on 10 December 1999 with Mrs M Heal of Counsel, instructed by Messrs Raworth Moss and Cook, representing the applicants, and Mr Wyand QC appearing on behalf of the opponents, instructed by Haseltine Lake.

The Opponents' Evidence

The presentation of the Opponents evidence was very confusing, consisting as it did of material from earlier proceedings (Opposition Nos. 43972 and 43973, Application No. 2005699) attached as exhibits to declarations in this one. There were up to three layers of this and, in my view, it complicated and hindered the conduct of the Hearing. The table on page 2 shows the various declarations submitted.

Table: Organisation of evidence submitted by Opponents

Declaration by Martin Herman Krause dated 29/8/97

Exhibit MHK1

(1) Declaration by Ronald Fergus Drever dated 14/8/97

Exhibit RFD1: A declaration by Jean Montet-Jourdan, dated 12/11/96

(2) Declaration by Martin Herman Krause dated 6/11/96

Exhibit MHK1: Reference to Spanish Dictionary.

(3) Declaration by Joñ Ferrer Sala dated 29/1/97

Exhibit JFS1: Advert for Freixenet's Registration.

Exhibit JFS2: Declaration of John Parker Fortune dated 18/12/96.

(4) Declaration by Justin Apthorp dated 13/3/97

(5) Declaration by Martin Herman Krause dated 17/3/97

Exhibit MK1: Freixenet's Registration certificate for CORDON NEGRO.

(6) Declaration of Graham John Parker Fortune dated 28/2/97

Exhibit GF1: Declaration of John Parker Fortune dated 18/12/96.

Exhibit GF2: Cordoniu SAs Journal Adverts.

Exhibit MHK2

Declaration by Christopher John Hothersall dated 18/8/97

Declaration of Graham John Parker Fortune dated 11/12/97

Exhibit GF1

Declaration of John Parker Fortune dated 18/12/96

Exhibit GF2

Declaration of John Parker Fortune dated 27/2/97

Declaration by Martin Herman Krause dated 14/1/98

Exhibit MK1

Declaration of Carlos Duran Moya dated 13/1/98

Exhibit FSA1: Copy of proceedings from Spanish Court.

5 **Declaration by Joñ Ferrer Sala dated 12/12/97**

The first declaration of substance, dated 12 November 1996, is from Jean Montet-Jourdran the Company Secretary of the French company G H Mumm et Cie Societe Vinicole de Champagne Successeur, the opponents in the earlier proceedings. Mr Montet-Jourdran refers to the long history of his firm, in particular to its long use of the two marks CORDON ROUGE and CORDON VERT, first registered in France in 1876 and 1904 respectively, and best known for champagne and sparkling wines. They are also apparently wholly included in UK trade marks - for copies of the advertisements in the Trade Mark Journal I was referred to 'Exhib 1', which is not included in evidence.

Mr Montet-Jourdran says that his company's products under the CORDON ROUGE and CORDON VERT trade marks have been marketed in the United Kingdom for a great many years, with first use of the former as early 1885. He says that sales of the products in the United Kingdom have been more or less continuous, with the marks GRAND CORDON and CORDON ROSE first used in the United Kingdom in the years 1990 and 1959 respectively. He gives sales figures for his company's products to the United Kingdom for the eight years to 1995:

Mark	CORDON ROUGE	CORDON ROUGE (Milliésimé)	CORDON ROSE	CORDON VERT	GRAND CORDON
Year	No. 75cl bottles				
1988	633,818	12,602	6,600	0	
1989	637,392	13,731	7,260	1,296	
1990	754,878	14,016	9,600	0	
1991	528,136	435	5,400	0	489
1992	483,202	6,000	8,232	12,280	697
1993	173,884	1,896	3,864	0	0
1994	246,888	0	3,552	0	9,636
1995	473,712	696	5,760	324	120

Mr Montet-Jourdran says that the above products were sold in all parts of the United Kingdom, through many retail outlets including the major stores and chains, including Oddbins, Victoria Wine and Cellars, Threshers Wine Shops, Bottoms Up, Harrods and Selfridges Limited. An exhibit showing examples of company's products as used in the periods referred to, but not included with his declaration.

Mr Montet-Jourdran states that his Company's products have been promoted in the United Kingdom by means of radio and press advertising, production of point-of-sale material such as menu cards, ice buckets, ashtrays, glasses, etc. and by direct mailing, with over £2 million has been spent in the United Kingdom over 5 years in promotion.

The next declaration of note is by Martin Hermann Krause, a Trade Mark Attorney employed by Haseltine Lake Trademarks, dated 6 November 1996. This contains copies of pages from "Collins Spanish Dictionary" at Exhibit MHK1 (this appellation is used at least twice, adding to the confusing nature of the Opponents' evidence). Mr Krause says that the:

‘..dictionary gives the meanings of the words CORDON, NEGRO and BLANCO as, inter alia:

CORDON - cord,
string NEGRO - black
BLANCO - white.

The trade mark CORDON NEGRO could, therefore, be translated as “black cord” and the trade mark CORDON BLANCO could be translated as “white cord”.’

Also from the earlier proceedings is a declaration from Mr Joñ Ferrer Sala, dated 29 January 1997, the Chairman of the Board of Freixenet SA. He says that the mark CORDON NEGRO was first used by them in 1977. He refers to Exhibit JFS2, containing a declaration, dated 18 December 1996, from a Graham John Porter Fortune the Managing Director of Freixenet (DWS) Ltd., which he calls FREIXENET UK (apparently a wholly owned subsidiary of the Opponents, Freixenet SA and is responsible for the importing into and distribution within the United Kingdom of all of Freixenet SA’s products, including CORDON NEGRO Cava).

Later in the main Exhibit MHK1 is another declaration by Mr Fortune, dated 28 February 1997, in which he comments on his earlier declaration at JFS2. I have incorporated his comments here.

Exhibit GJPF1 is referred too, consisting of a photograph of a bottle of CORDON NEGRO Cava, clearly showing the front labelling and the trade mark CORDON NEGRO. Mr Porter says that sparkling wine is extremely popular in the United Kingdom, and CORDON NEGRO Cava is one of the best selling and most well-known sparkling wines on the market. He says that of sparkling wine that is sold in the UK, Spanish sparkling wines account for more than a quarter of total consumer sales (by volume), and that 20% of this is under the Opponents’ CORDON NEGRO trade mark, that is over 5% of the 2.5 million litre total sparkling wine market in this country, (7% of total UK sales of sparkling wine by sale, value). Turnover (in the UK) is given as:

Year	Turnover (£ millions)	Cases (000’s)
1984	0.3	10.8
1985	0.6	14.4
1986	1.1	30.4
1987	1.6	39.3
1988	1.9	53.4
1989	2.3	65.7
1990	2.8	91.0
1991	2.9	87.8
1992	3.1	90.5
1993	3.1	98.3
1994	3.2	104.3
1995	3.7	114.5

Mr Porter includes a list of retail outlets, and an exhaustive list of places, where CORDON NEGRO Cava is apparently sold in the UK (paragraph 11). He points out that for the year 1994 more than 1.25 million bottles of CORDON NEGRO sold in the UK. Advertising spend is given as (and recorded in detail in Exhibit GJPF3):

5	Year	Amount
	1993	365,435
	1994	198,031
	1995	241,246
	1996	237,620

10 Various publications which carried adverts are listed (paragraph 12) and specific promotions are referred to. Exhibit GJPF2 contains copies of various advertisements, most concentrated around the pre-Christmas period. In his later declaration, Mr Fortune explains that while sales of CORDON NEGRO Cava are seasonal, and the advertising reflects this, they do take place throughout the year.

15 There is a significant amount of advertising material exhibited, copied from a variety of newspapers and publications. Of that predating the relevant date, earlier advertisements emphasise the pronunciation of the Opponents' name ('fresh'n'nette'), but the CORDON NEGRO mark is clearly visible. In later adverts, a strap line is used ('There's a party in every bottle'¹), with a bottle of the product clearly showing the Company name in cursive script and
20 CORDON NEGRO in capitals. I note a copy of the 13 December 1994 Daily Express, page 37, which has an article on sparkling wines adjacent to one such advert. This states:

'Most [cavas] come from Spain's Catalonia region. The names to look for are Freixenet Cordon Negro - in a distinctive black bottle and Codorniu Brut, both of which are fresh and dry with plenty of verve'.

25 In his later declaration, Mr Fortune states:

'I know that Private Liquor Brands Limited is the distributor of a Cava sold under the CORDON BLANCO trade mark in the United Kingdom produced by Codorniu SA. I am aware that Codorniu SA is a competitor of Freixenet SA in the sparkling wine market both in Spain and the United Kingdom, although Codorniu SA's market share in the United
30 Kingdom has always been considerably lower than that of Freixenet SA since I have been involved with Freixenet (DWS) Ltd. I note that Codorniu SA has itself filed three trade mark applications to register trade marks prominently featuring the CORDON BLANCO name, and that the consent of Private Liquor Brands Ltd was obtained in each case.'

35 The next declaration in the main Exhibit MKH1, dated 13 March 1997, is from Justin Apthorp a wine buyer at Majestic Wine Warehouses Limited. He says that CORDON NEGRO Cava produced by Freixenet SA is very well known to him and other buyers of sparkling wine in this country both in the trade and consumers. and that it '.. is probably the second best-selling sparkling wine in the United Kingdom, and .. this was also the situation in 1994.' He adds:

¹Adverts directed to the trade, in trade publications, use 'There's a profit in every bottle'.

'I know that Codorniu S.A., a Spanish company, produce a Cava which is being sold under the name CORDON BLANCO in the United Kingdom and which is being distributed by Private Liquor Brands Limited.

5 I believe that there is a large possibility of consumers confusing a sparkling wine, and in particular a Cava, sold under the CORDON BLANCO name with CORDON NEGRO Cava as the names are similar, given that the first word in both names is CORDON and the second words in each case are Spanish words with associated meanings, and consumers are likely to be confused into thinking that CORDON BLANCO is another product from the producers of CORDON NEGRO Cava.'

10 There is another declaration by Mr Krause, dated 17 March 1997, that simply exhibits a copy of the registration certificate for the Opponents' mark FREIXENET-CORDON NEGRO.

15 Exhibit MHK2 to Mr Krause's declaration in this case contains one declaration that was submitted as evidence in the earlier matter. The first of these, dated 18 August 1997, is from Christopher John Hothersall, the Marketing Manager for Private Liquor Brands Limited, who were the Applicants in that case. Mr Hothersall explains that they are distributors of wines in the United Kingdom and have acted as exclusive UK Agents for the off-licence trade for Spanish sparkling wines supplied by Cordoniu SA. He says that the mark CORDON
20 BLANCO was applied to one Spanish sparkling wine supplied by Cordoniu, one shipment of which, constituting 29120 cases, each case having six 75 cl bottles, was supplied to his Company at the end of September 1995. He says this wine was sold in England, Scotland and Wales through the stores of Tesco commencing in October 1995, and that the mark was applied to the bottle labelling and to in-store advertising and promotion. The total value of the shipment was £225,000 excluding duty and £15,000 was spent to ensure specific display locations in-store.

25 The Opponents in this case also enclose a another three declarations, which are shown on page 2 above. The first of these is another from Mr Fortune, dated 11 December 1997. The main purpose of this declaration is to introduce at Exhibit GF1 and GF2 (which appellation, confusingly, has already been used), the declaration by him dated 18 December. This is the third time this particular declaration is introduced in evidence. However, Mr Fortune explains
30 that Freixenet UK is a wholly owned subsidiary of the Opponents, Freixenet SA, and are the sole importer and distributor of CORDON NEGRO Cava product.

35 He refers to the two earlier declarations dated 18th December 1996 and 28th February 1997, made in connection with the opposition of trade mark application No. 2005699, and says that, as the information there related principally to use of the CORDON NEGRO trade mark in the United Kingdom until 1995 either by Freixenet SA or on their behalf, he believe that this information is equally relevant to these proceedings. He notes from the earlier declarations that CORDON NEGRO Cava is one of the best selling and most well-known sparkling wines on the market in December 1994, *and* June 1995.

40 The next declaration by Mr Krause (dated 14 January 1998), introduces in Exhibit MK1, a declaration from the earlier proceedings by Mr Carlos Duran Moya, dated 13 January 1998. Mr Moya is a Trademark Attorney employed by Freixenet SA in Spain. He says that on 27th

May 1996, Freixenet SA initiated proceedings in the Spanish Courts against Codorniu SA. The latter's pleadings in reply are produced in evidence in Spanish, part of which is translated into English as:

5 'Private Liquor Brands Ltd having made this request to my clients, they prepared and sent to England one sole remittance of these "CORDON BLANCO" bottles of a promotional nature and of which there has been no continuation in England or in any other country'

10 The final declaration by the Opponents is another from Mr Sala, dated 12 December 1997. Much of this buttresses evidence given elsewhere, however, Mr Sala explains that Codorniu SA is a Cava producer and a competitor of Freixenet, producing Cava in the same town in Spain, and is a competitor in the United Kingdom as well as in other countries of the world.

15 He says that when Freixenet first became aware of the use of the CORDON BLANCO name by Codorniu SA in Spain, it quickly commenced the legal proceedings cited above. Apparently the Spanish court found in favour of the Opponents in that Codorniu should immediately stop infringement of Freixenet's rights through sales of the CORDON BLANCO product and that the offending products should be destroyed. Mr Sala also says that the Opponents have also either opposed trade mark applications or objected to trade mark registrations in the name by the Applicants containing the words CORDON BLANCO in Germany, Denmark, France, Ireland, Portugal, Switzerland, Russian Federation, Hungary and Spain in addition to the United Kingdom.

20 He that he believes Codorniu SA have deliberately chosen the trade mark CORDON BLANCO to trade off the considerable goodwill that Freixenet has built up over many years in various countries of the world including the United Kingdom. In support of this, he points out that the Opponents, from the first, sought to associate the name CORDON NEGRO (which translates as "black ribbon") with the frosted black finish of the bottle in which the product is sold. Codorniu SA have applied for the mark CORDON BLANCO (which can be translated as "white ribbon") and market their product in a clear frosted bottle finish. Mr Sala finishes his evidence by stating:

30 'Because of the similarity of the words CORDON NEGRO and CORDON BLANCO (the word CORDON is an important feature in both marks, followed in each case by a short Spanish word), I am concerned that a significant number of consumers are likely to be confused. This likelihood is increased by the strong association between meanings of the marks; there is an obvious association in most people's minds between black and white. Codorniu SA have also accentuated the likelihood of this association by using a bottle finish for their CORDON BLANCO Cava that is, in effect, the "white" version of our CORDON NEGRO Cava bottle. I am also concerned that the public may, mistakenly, think that there is some connection between the CORDON BLANCO Cava of Codorniu SA and Freixenet's very famous CORDON NEGRO Cava, with the consequence of damage to Freixenet's business.'

The Applicants' Evidence

Three declarations are enclosed. The first is by Dr David Alexander Sarup, a European Trade Mark Attorney employed by Raworth, Moss & Cook. Enclosed with his declaration is Exhibit DAS 1, a copy of a trade marks search report, for all marks on the United Kingdom Trade Mark Register including the mark CORDON. This search shows that a number of proprietors own the trade marks incorporating this word. Some examples from the Exhibit are shown in the Table below. He also pointed out that certain of the marks carry disclaimers.

PROPRIETOR	MARK
Freixenet SA (Spain)	FREIXENET-CORDON NEGRO
G.H.Mumm et Cie Societe Vinicole de Champagne Successeur	CORDON ROUGE CORDON VERT G.H. MUMM & CO DOUBLE CORDON CORDON VERT*
Hedges & Butler Ltd.	CORDON D'OR BRANDY
Adolphe Willm, Emile Willm & Cie SA	CORDON D'ALSACE WILLM
Martell	MARTELL CORDON BLEU MARTELL CORDON ARGENT CORDON BLEU MARTELL
La Martiniquaise	CORDON NOIR**
Chatam International Inc	CHANTAINE BRUT CORDON ROYAL***
Champagne De Venoge	CHAMPAGNE DEVENOGER DEPUIS 1837 CORDON BLEU BRUT

* (No. 455200) Registration of this Trade Mark shall give no right to the exclusive use of the words "Cordon Vert".

** (No. B1158979) Registration of this mark shall give no right to the exclusive use of the words "Cordon Noir".

*** (No. 1213576) Registration of this mark shall give no right to the exclusive use of the words "Cordon Royal".

In referring to the disclaimers Mr Sarup notes that these involve exclusive use of the word CORDON in combination with an adjectival descriptor, such as a colour, in French or Spanish language, such as "Vert", "D'Or", "Noir", "Royal" and "Bleu", and says 'It appears to me that the Registry has a practice of considering the word CORDON to be inherently non-distinctive and so has required terms including the word CORDON to be disclaimed.'

For the three applications in this case, Mr Sarup points out that they all include the word PARNAS, which is distinctive, and further device elements. This makes them much more than the non-distinctive word element CORDON. Finally, he also notes that the Opponents use the

term CORDON NEGRO in combination with the distinctive house mark FREIXENET. In his view, as a consequence of the inherent non-distinctiveness of the word CORDON, and the opponents use of distinctive house marks and device elements, they enjoy no reputation associated with the word CORDON.

5 The next declaration by the Applicants is from Dr Ing M Curell SuÁol, a Spanish Trade Mark Attorney based in Barcelona. He provides a search among International Trademarks in Exhibit CS1, and specific examples of such marks in Exhibits CS 2 and CS 3. Other searches are included in CS 4, and examples in CS 5 and CS 6. These show inclusion of the CORDON NOIR and BLANC(O) marks. Mr SuÁol states:

10 ‘Although these International Trademarks are not protected in the United Kingdom, we believe that they show that CORDON NOIR and CORDON BLANC(O) are words usually applied for in connection with alcoholic beverages and that, therefore, Freixenet/Mumm SA has no exclusive right on these words, in particular since it has not been the first company to adopt them.’

15 Magin Raventos Sáenz, the Managing Director of Codorniu SA, makes the final declaration on behalf of the Applicants. He comments on various aspects of the Opponents’ evidence. Salient points are:

! The promotion evidence submitted by the Opponents always appears with the house mark FREIXENET

20 ! In the earlier trade mark opposition, the Applicants were Private Liquor Brands Limited, who made a sole remittance of the CORDON BLANCO product.

! When their application was filed (No. 2005699), no objections were raised on the grounds of the prior existence of FREIXENET CORDON NEGRO.

25 ! Mr Drever’s declaration, dated 14 August 1997, was filed on behalf of the Applicants in the earlier case and was filed to show the existence of marks shows use of the word CORDON (in this case by GH MUMM).

30 ! The Applicants own registrations in Spain for PARNAS CORDON BLANCO (see Exhibits X1 and X2) which correspond to application Nos. 2024195 and 2024193 (see Table on page 1), and were granted in the face of opposition from Freixenet, which also failed on appeal (reason are given in Exhibits X5 and X6).

35 ! In terms of the legal proceedings in Spain (see the declaration of Mr Moya, dated 13 January 1998), the Applicants have never used CORDON BLANCO in Spain. However, the Spanish law includes exported goods, and Freixenet became proprietors of the mark CORDON BLANCO in Spain. Their initiation of legal proceedings was against use of this mark and a frosted bottle by Cordorniu.

The legal proceedings are not concluded and the Applicants plan an appeal.

The Decision

At the start of the Hearing, Mrs Heal for the Applicants referred to the quality of the opponents' Statement of Grounds, saying that it was not clear s 5(2)(b) had been pleaded. She had expected the opponents to base their case on s 5(4)(a) under passing off.

- 5 I think all agreed that the Statement of Grounds were inadequate. S 5(4) is not specifically mentioned, though the opponents refer to the goodwill they have in their mark. On the other hand, the phrase 'a likelihood of confusion' is not mentioned, while s 5, in general, is.

10 This is confusing and, in my view, indicative of the rather messy approach the opponents have taken to the submission of material in this case. However, I was not prepared, at such a late stage, to postpone the Hearing while the opponents tidied up their pleadings. The applicants could, at any time in the run up to the Hearing, made their views known. They came expecting passing off to be argued and, in the context of the reference to s 5 and the citing of an earlier registration, it seems to be rather presumptuous to conclude that 5(2)(b) would not be.

- 15 Though it is certainly not the role of hearing's officers to mitigate the inadequacy of the pleadings in a case, and taking my lead from the submissions of Mr Wyand, I consider the grounds of opposition to be under s 5(2)(b) and s 5(3) for the opponents' earlier mark No 1195921: FREIXNET CORDON NEGRO. The opponents also claim rights in CORDON NEGRO on the basis that it is entitled to protection under the Paris convention as a well-
20 known trade mark in the UK, and under s 5(4)(a), for passing off.

Taking the Paris Convention ground first, though the opponents conform to the grounds required by s 56 in that, *inter alia*, they have a real and effective industrial or commercial establishment in a Convention country, other than the UK, I do not think they can reasonable
25 say they are the proprietors of CORDON NEGRO as a well known trade mark. Despite the evidence of Justin Apthorp - which seems to me indicative of the awareness of a trade buyer - I struggle to accept that 7% of the UK market in sparkling wine and a presence there since 1977 is enough to qualify for the status of a well known mark for CORDON NEGRO, particularly where it is used alongside the name FREIXNET.

- 30 I think I can also deal shortly with s 5(3). This applies to goods that are not similar to those for which the earlier mark has protection. This is not the case here, and this ground fails.

Turning now to s 5(2)(b), this states:

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

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

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

I was referred to *Sabel BV v Puma AG* 1998 RPC 199 and *Lloyd Schuhfabrik Meyer & Co v Klijsen Handel* 1999 ETMR 690. It is instructive to reproduce the following passages from these cases:

5 ‘Global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive - “there exists a likelihood of confusion on the part of the public” - shows that the perception of the marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of
10 confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

 In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a
15 likelihood of confusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public.’

And the following from *Lloyd* in relation to the perception of the average consumer:

 ‘For the purposes of that global appreciation, the average consumer of the category of products concerned is deemed to be reasonably well-informed and reasonably observant and circumspect (see, to that effect, Case C-210/96 *Gut Springenheide and Tusky* [1968] E.C.R.I-4657, paragraph 31). However, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should also be borne in mind that the average consumer’s level of attention is
25 likely to vary according to the category of goods or services in question.’

Mr Wyand also pointed out, based on *Lloyd*, that ‘..the more similar the goods are, the less similar the marks are required to be...’ and *vice versa*. Both parties agreed that the goods at issue were identical. Success or failure for the opponents’ case thus depends on a direct comparison of the marks at issue.

30 In my view the opponents’ best case under s 5(2)(b) lies with a comparison of FREIXENET - CORDON NEGRO with the word mark No. 2024193 - PARNÀS CORDÓN BLANCO. And I am required to assume, following *Origins* [1995] FSR 180 (at 284), that ‘..the mark of the plaintiff is used in a normal and fair manner in relation the goods for which it is registered and then to assess a likelihood of confusion in relation to the defendant uses its mark, leaving aside
35 added matter or circumstances.’

 The only common ground between the two marks is use of the word CORDON, which does not appear to be unique for this type of product. Though I have disregarded the evidence relating to the state of the Register - which says nothing about the uniqueness of this word or otherwise in the marketplace - based on the extensive evidence of use on Champagne by
40 Mumm (see the declaration of Mr Jean Montet-Jourdran) the opponents do not have exclusive use of CORDON, and this tends to mitigate against it being regarded by the average consumer as indicative of their product.

At the Hearing, Mr Wyand referred me to the meaning of the words BLANCO and NEGRO, and stated:

5 ‘..I would say that the average educated consumer - by educated I mean that in the sense the ECJ refers to in the Lloyd case - would know they are both Spanish words and would know that they are black and white, negro/blanco. There can be no doubt that is the meaning and they are known to be the same language.’

Mr Wyand then added:

10 ‘..this gives the impression of being a series of marks. You see a CORDON NEGRO, you see a CORDON BLANCO and you think that is one of a series. It is going to be produced by the same person.’

He was of the view that black and white were likely to be associated as opposites; Mrs Heal agreed, saying ‘..it is clear they are alternatives. They are more alternative than black and red and or white and red. Also the word NEGRO sounds like the word BLANCO..’. However, she then observed:

15 ‘.. one should not look at NEGRO and BLANCO in isolation. They do not appear on the labels in isolation. They appear with the word CORDON and they appear with the two separate house marks. Those house marks in particular and the style and get-up of the bottles and labels direct any likelihood of confusion away because they are clearly emanating from different manufacturers or different wine distillers.’

20 Later, Mrs Heal added:

25 ‘..my learned friend ... says that in the present case the essence of the two marks to be compared is CORDON NEGRO and CORDON BLANCO. My submission is exactly the opposite. The essence of the two marks is FREIXENET and PARNAS because that is what it is that will attract. ...The marks are not likely to be referred to without the use also of the house mark.’

30 My first impression of the marks is that they are not confusing. Mr Wyand’s makes much of the conceptual similarity between NEGRO and BLANCO, i.e. black and white. I think he places too much confidence in the awareness of the average consumer will have of the meaning of these words, that is, their familiarity with the Spanish language. Though I accept that many will surmise that BLANCO is ‘white’, a significantly lesser number, in my view, will take NEGRO as black. Even for those that do, I am not as convinced as Mrs Heal that more of an association will be made between ‘black’ and ‘white’ than between ‘white’ and ‘red’, particularly where wines are concerned.

35 Taking the marks as a whole, I think most consumers will be unlikely to confuse PARNAS CORDON BLANCO with FREIXENET CORDON NEGRO. CORDON is not distinctive of the opponents and, appearing before BLANCO or NEGRO, will tend to reduce the reliance people place on these words as indicators of origin. I do not believe that the increased size of the CORDON BLANCO element relative to PARNAS, in the applicants’ mark No 2024195 alters this finding. The opponents therefore fail under s 5(2)(b).

Before moving on, I notice that the opponents did not succeed in Spain, where the applicants also applied to register their mark (see Exhibits X5 and X6), even though the average Spanish consumer would know NEGRO means ‘black’, and the conceptual would be consequentially greater.

5 S 5(4)(a) states:

‘(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 a unregistered trade mark or other sign used in the course of trade..’

10 The law on this common law tort is clearly set out by Geoffrey Hobbs QC, acting as the ‘Appointed Person’, in *Wild child* [1998] 14 RPC, 455:

‘A helpful summary of the elements of an action for passing off can be found in *Halsbury’s Laws of England* 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 731 is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- 20 (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- 25 (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of ‘passing off’, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House”.

35 Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that;

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

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

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

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

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

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

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

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

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

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

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

30 Thus, to succeed in a passing off action, it is necessary for the opponents to establish that at the relevant date (16th June 1995): (i) they had acquired goodwill under their mark, (ii) that use of the mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.

35 The evidence supports the view that the opponents have a goodwill in their product. However, this, in my view is based not on CORDON NEGRO alone, but also on their FREIXENET house mark and the characteristic black bottle, all of which appear routinely together in their advertising.

Mr Wyand argued that in English there was a ‘.. natural reluctance .. to say foreign looking words and FREIXENET is one of these words that no one is quite certain, I would submit, how to pronounce.’

Mrs Heal pointed out the extensive attempts the applicants have made in their advertising to educate English speakers of the correct pronunciation of the word ('fresh'n'nette' apparently) but also makes the more salient point, in my view, that '..whether or not people felt some reluctance in pronouncing it, there is no doubt that it is a very recognisable word and it is a very recognisable mark. It dominates, in my submission, the entirety of the label that the opponents use.' I think I agree.

It view of this, and the conclusions I have come to above under s 5(2)(b), I do not believe that the required confusion will occur. The opponents pointed to the use made of a white frosted bottle by Private Liquor Brands Limited when they sold the applicants product in the UK. Mr Wyand described this as notional and fair use of the applicants mark. I do not think I can accept this. The applicants have not applied for a frosted white bottle with their mark and I do not feel able to extend the concept of normal and fair use to the type of bottle they may or may not use.

As this last ground has failed, the opposition fails. The applicants are successful. They are entitled to an award of costs, and I order the opponents to pay to them £1200. This sum is to be paid within one month the expiry of the appeal period or within one month of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 6nd day of June 2000

Dr W J Trott
Principal Hearing Officer
For the Registrar
the Comptroller-General