

O-268-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2380569
BY KINGSTON ESTATE WINES PTY LTD
TO REGISTER THE TRADE MARK:**

RIVERCLIFF

IN CLASS 33

AND

**THE OPPOSITION THERETO
UNDER NO 93334
BY
E & J GALLO WINERY**

Trade Marks Act 1994

**In the matter of application no 2380569
by Kingston Estate Wines Pty Ltd
to register the trade mark:
RIVERCLIFF
in class 33
and the opposition thereto
under no 93334
by E & J Gallo Winery**

BACKGROUND

1) On 17 December 2004 Kingston Estate Wines Pty Ltd, which I will refer to as Kingston, applied to register the trade mark RIVERCLIFF (the trade mark). The application was published for opposition purposes in the “Trade Marks Journal” on 25 February 2005 with the following specification:

wines

The above goods are in class 33 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 6 April 2005 E & J Gallo Winery, which I will refer to as Gallo, filed a notice of opposition to the application. Gallo is the owner of the following trade mark registrations:

- United Kingdom registration no 2144353 of the trade mark RIVERCREST. The application was filed on 1 September 1997 and the trade mark was registered on 20 March 1998. It is registered for the following goods:

alcoholic beverages (except beers).

The above goods are in class 33 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. Gallo claims that in the five years prior to the publication of the application it has used the trade mark in respect of *wines*.

- Community trade mark registration no 617241 of the trade mark RIVERCREST. The application was filed on 29 August 1997 and the trade mark was registered on 12 August 1999. It is registered for the following goods:

alcoholic beverages (except beers).

The above goods are in class 33 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. Gallo claims that in the five years prior to the publication of the application it has used the trade mark in respect of *wines*.

Gallo claims that owing to the similarity of the trade marks and the identity/similarity of the goods that there is a likelihood of confusion and so registration of the trade mark would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

3) In relation to United Kingdom trade mark registration no 2144353, Gallo claims that it has a reputation in respect of wines. It claims:

“The sale of a RIVERCLIFF wine in the UK will call to mind the opponent’s RIVERCREST wine given the unusual nature of the RIVERCREST trade mark, and, as such, will dilute the opponent’s reputation in RIVERCREST wine in the UK.”

Consequently, registration of the trade mark would be contrary to section 5(3) of the Act.

4) Kingston filed a counterstatement. It requires proof of use of the trade mark RIVERCREST in respect of wines. It refutes the grounds of opposition on the basis that the respective trade marks are not similar.

5) Both sides filed evidence.

6) A hearing was held on 31 August 2006. Gallo was represented by Dr S R James of RGC Jenkins & Co. Kingston was not represented, neither did it furnish any written submissions.

EVIDENCE

Evidence of Gallo

7) This consists of two declarations by Chris Kalabokes. Mr Kalabokes is vice president and general manager, international, of Gallo. He is responsible for international sales and marketing. Mr Kalabokes’ second declaration consists of submission and a critique of the evidence of Kingston; not evidence of fact and so I intend to say nothing about it here.

8) Mr Kalabokes states that prior to 2003 wines had been sold under the RIVERCREST trade mark in the following European countries: Austria, Benelux, Finland, France, Germany, Iceland, Ireland, Italy, Norway, Poland, Spain, Sweden, Switzerland and the United Kingdom. He states that RIVERCREST wine was launched in the United Kingdom on 5 November 2001. Sales figures of RIVERCREST wines (in terms of one dozen 750 ml bottle equivalents) for the United Kingdom are as follows:

2001	34,704
2002	433,399
2003	617832
2004	834,683.

Figures for Europe are also given, however, as these are not for the European Union they are not of relevance to the case.

9) At exhibit B there are several invoices for RIVERCREST wines for the United Kingdom and Germany (and one for Poland). The earliest invoice is dated 5 November 2001 and is to Booker Cash & Carry Ltd. Other United Kingdom invoices are to Winerite Limited, Makro Self Service Wholesalers Ltd, Ignis Limited, Budgens Stores Limited and Asda Stores Ltd.

10) Mr Kalabokes states that a report in AC Nielsen's Off Trade January – October 2002 states the RIVERCREST brand became the highest entry in United Kingdom top 100 wine brands; entering at number 25. A copy of the report has not been submitted, Mr Kalabokes relies upon one of Gallo's own marketing documents (at exhibit F) in substantiation of this claim. (He states that the complete report is confidential information of AC Nielsen which cannot be disclosed. It is standard practice for confidential information to be adduced under cover of a confidentiality order.) Market shares of wine sold under the RIVERCREST trade mark are given:

	% Share of United Kingdom Still Wine (by volume)	% Share of USA Category (by volume)
2002	0.35	4.03
2003	0.60	5.62
2004	0.77	5.76

The advertising and promotional expenditure in United Kingdom was (in US dollars) 1,498,348, 3,963,438 and 777,085 for 2002, 2003 and 2004 respectively. Figures for the entire European Union (presumably including the United Kingdom) are as follows: 2,213,652, 4,434,877 and 825,372 for 2002, 2003 and 2004 respectively.

11) At exhibit G promotional material for the trade for RIVERCREST wine is produced, it bears a copyright date of 2004. (Mr Kalabokes refers to exhibit G as being a promotional leaflet for a holiday competition run in conjunction with Sainsbury's supermarkets – this is not the case.) At exhibit H promotional material for an offer of three RIVERCREST bottles of wine for £10 is produced, the material bears copyright dates of 2002 and 2003. At exhibit I further promotional material is exhibited, including posters. The posters bear a copyright date of 2003. Some of the promotional material is described as table tents – presumably for sitting on tables in licensed premises. Other material would appear to have been used as advertisements in bus shelters. Various material on card has an adhesive strip on the reverse, so must be designed to be stuck

onto something. Exhibit J contains press articles relating to the promotion of the RIVERCREST trade mark:

‘Drinks International’ of April 2002;
‘Off Licence News’ of 10 May 2002, 17 May 2002, 21 June 2002, 23 August 2002, 11 July 2003, 23 April 2004;
‘The Grocer’ of 16 November 2002, 7 December 2002, 18 October 2003;
‘Harpers The Wine and Spirit Weekly’ (circulation 4,000) of 22 November 2002, 3 October 2003;
‘Evening Telegraph’ of Peterborough of 23 November 2002;
‘The Independent Retailer’ of December 2002;
‘Independent Retail News’ of 13 December 2002;
‘The Sun’ of 13 December 2002 – joint competition promotion;
‘Glamour’ of December 2002;
‘LCN Licensed & Catering News’ of December 2002;
‘Catering & Licensing Review’ of February 2003;
‘NW Northern Woman’ (circulation 20,000) of March 2003;
‘Essentials’ of April 2003;
‘Hotels & Restaurant’ of May 2003;
‘Company’ of June 2003;
‘OLN’ of 27 June 2003;
‘Retail Express’ of August 2003;
‘Just-drinks.com’ of 29 September 2003;
‘The Drinks Business’ of October 2003;
‘Pub Business’ of November 2003;
‘Convenience Store’ of 6 December 2003;
‘Family Circle’ of February 2004;
‘That’s Life’ of 25 March 2004;
‘Woman’ of 31 May 2004
‘The Consortium’ (circulation 13,250) June 2004.

12) Exhibited at K are samples of labels used on wines bearing the RIVERCREST trade mark. Copies of pages from ‘The Concise Oxford Dictionary’ are produced at exhibit L; these give definitions of the words crest and cliff:

noun - comb or tuft of feathers, fur or skin on the head of a bird or other animal, a plume of feathers on a helmet; the top of a ridge, wave etc; a distinctive heraldic device representing a family or corporate body displayed above the shield of a coat of arms or separately; verb - reach the top of; (of a wave) form a curling foamy top; be crested with, have attached at the top.

steep rock face, especially at the edge of the sea.

Evidence of Kingston

13) This consists of a declaration by Denys Hornabrook who as export manager of Kingston. Unfortunately, the evidence of Hornabrook is of no assistance to this case. It refers to the history of the firm, that trade mark clearance searches were carried out in Australia and the United Kingdom and that there was no objection raised at examination stage. Mr Hornabrook then goes on to exhibit state of the register evidence. The lack of relevance of state of the register evidence has been noted in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 and *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-135/04. The state of the register evidence does not tell me what is happening in the market and so how the perception of the average consumer would be affected. Mr Hornabrook then goes on to state how the trade mark was derived and exhibits a copy of a label. The proposed label is not the trade mark for which an application has been; it includes a picture. I note, however, that Rivercliff is represented in what seems very similar script to that used for Rivercrest on bottles. Mr Hornabrook comments that Kingston will use its trade marks on Australian wines whilst those of Gallo are from California.

DECISION

Evidence of use

14) To consider the grounds of opposition under both sections 5(2)(b) and 5(3) of the Act, it is necessary to decide what the use shown by Gallo establishes. On the basis of the evidence, Gallo's better case lies with its United Kingdom registration and so I intend to deal only with this registration in this decision.

15) Section 6A of the Act reads:

“(1) This section applies where –

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

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

(3) The use conditions are met if –

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

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

(4) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

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

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

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

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

16) In *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2003] RPC 25 the Court of Appeal dealt with issues relating to use of a trade mark in a form which does not alter the distinctive character of the mark in the form in which it was registered. In that case Lord Walker stated:

“40 These points are uncontroversial, not to say pedestrian, but they do to my mind help to show what is the right approach to the language of s.46(2) of the Act, which is at the heart of the first appeal:”... use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was

registered."(This language is word for word the same as the English language version of Art.10.2(a) of the Directive.)

41 The word "elements" can be used, and often is used, to refer to the basics or essentials of a matter. However it can hardly have that meaning in s.46(2), since a basic or essential difference in the form in which a trade mark is used would be very likely to alter its distinctive character. In s.46(2) "elements" must have a weaker sense (of "features" or even, as Mr Bloch came close to submitting, "details").

42 The deputy judge touched on this and some related points in paras [18-22] of his judgment. He stated that the elements of a mark must be assessed separately. He also stated (or at least implied) that only some of the elements might contribute to the distinctive character of the mark. He pointed out that the inquiry was as to whether the mark's distinctive character was altered (not substantially altered).

43 I have no wish to be overcritical of the way in which the deputy judge expressed himself, especially since I think he was a little overcritical of the way in which the hearing officer had expressed himself. But I am inclined to think that the deputy judge made the issue rather more complicated than it is. The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?

44 The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry:

"Bare ruin'd choirs, where late the sweet birds sang"

is effective whether or not the reader is familiar with Empson's commentary pointing out its rich associations (including early music, vault-like trees in winter, and the dissolution of the monasteries).

45 Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of "whose eyes?-- registrar or ordinary consumer?" is a direct conflict. It is for the registrar, through the hearing officer's specialised experience and judgment, to analyse the "visual, aural and conceptual" qualities of a mark and make a "global appreciation" of its likely impact on the average consumer, who:

"normally perceives a mark as a whole and does not proceed to analyse its various details."

The quotations are from para.[26] of the judgment of the Court of Justice in Case C-342/97 Lloyd Schuhfabrik Meyer GmbH v Klijsen Handel BV [1999] E.C.R. I-3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

17) Most of the use of RIVERCREST is a slightly italicised script in title case. There is nothing particularly stylised about the use and the word clearly reads as Rivercrest. In my view, this use of the trade mark, that has been registered in standard script in upper case, is use that does not alter the distinctive character of the trade mark in the form in which it was registered. It is the sort of use that is presumed when an application is made in upper case or title case; such registrations traditionally giving a leeway to use the trade mark in a variety of scripts. Even if this were not the case there is also use of Rivercrest in plain type in title case. I cannot see that anyone could seriously argue that such use is use that alters the distinctive character of the trade mark in the form in which it was registered. (In relation to use of a trade mark in other scripts see paragraph 47 of *Sadas SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-346/04.*) On two occasions there is evidence of use in title case; in an advertorial from ‘The Sun’ of 13 December 2002 and in a promotion in ‘LCN Licensed & Catering News’ of December 2002. The invoices show use of R/CREST.

18) There is now a body of case law as to how to arrive at a fair specification of goods in non-use cases:

Thomson Holidays Ltd v Norwegian Cruise Lines Ltd [2003] RPC 32:

“29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has

only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03

“42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marienfelde v OHIM – Vétoquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account

of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of ‘part of the goods or services’ cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category.”

Animal Trade Mark [2004] FSR 19:

“20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the

notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three-holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

19) The evidence shows use on rosé, red and white still wines. They are all the produce of California. In wine merchants and supermarkets still wines, sparkling wines and fortified wines are usually separate from each other. I consider that still wines represent a clear sub-category of wines and so the specification of the goods should be limited to such wines. In my experience it is common practice for wines to be subdivided by their country and/or area of origin; whether this be on the shelves of a shop, in the pages of a catalogue or in a review in a newspaper or magazine. I am of the view that Californian wines represent a definite sub-category of wine. **I find, consequently, that a fair description of the goods in relation to which Gallo's trade mark has been used is: still Californian wines.**

20) In order to get off the ground with its claim under section 5(3) of the Act, Gallo must show that it has a reputation in relation to the trade mark RIVERCREST. In *General Motors Corporation v Yplon SA* Case C-375/97 [2000] RPC 572 (*Chevy*) the European Court of Justice (ECJ) set out the requirements for reputation under section 5(3) of the Act:

"The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark."

(The claim under section 5(3) has been in relation to the United Kingdom registration only.)

21) It is necessary to decide who the public concerned is. In relation to the goods I cannot see that this is any difference from the average consumer of the goods. The goods concerned are wines; from the prices and the promotional material these are wines aimed at the mass market. The public concerned/average consumer for such goods is the wine

buying public at large. This encompasses a large swathe of persons across all socio-economic groups. Wine is no longer the drink of the few, it is the drink of the many. The group excludes those who are teetotal and those who under the age of eighteen. However, to all intents and purposes it is the public at large.

22) There is no doubt that the products have sold well but that does not mean that the trade mark is known by a significant part of the public concerned. Mr Kalabokes refers to the RIVERCREST brand entering in at number 25 of the top 100 hundred brands in 2002. It is difficult to ascertain what this means in relation to public perception. The maximum market share of still wine sales that Gallo has had under its trade mark in the United Kingdom is 0.77%, or 5.76% in relation to USA wines. Wine is a very fragmented market; with an enormous number of producers and trade marks. A percentage figure for market share tells one little about the state of knowledge of the public concerned. The majority of the press coverage is in trade publications. Where there has been coverage in mass market publications it is in the form of advertorials and limited references. There is no indication of significant advertising spreads in mass market publications. There is no indication of advertising through the broadcast media. There appears to have been advertising in bus shelters but no indication of the scale of such advertising. In the absence of such advertising and in the context of the sales for a mass market wine, I cannot see that any inference can be drawn as to the state of knowledge of the public. **I find therefore that Gallo has not established that it has a Chevy reputation and so its claim under section 5(3) of the Act must fail.**

Likelihood of confusion – section 5(2)(b) of the Act

23) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

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

The two registered trade marks are earlier trade marks within the meaning of the Act.

24) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77, *Marca Mode CV v*

Adidas AG and Adidas Benelux BV [2000] ETMR 723 and *Vedial SA v Office for the Harmonization of the Internal Market (trade marks, designs and models) (OHIM)* C-106/03 P.

Comparison of goods

25) The goods for which Gallo has shown use of the trade mark are *still Californian wines*. The goods of the application are *wines*. The goods of the application encompass the goods of the earlier registration. In *Galileo International Technology LLC v Galileo Brand Architecture Limited* BL 0/269/0 Professor Annand, sitting as the appointed person stated:

“13. I agree with Mr. Onslow that the issue raised by this appeal is whether, when considering the test of identity for section 5(1), it is sufficient that goods or services overlap or must they be co-extensive. Like Mr. Onslow, I am unaware of any authority supporting a co-extensive test. Kerly’s Law of Trade Marks and Trade Names, 13th Edition, states at para. 8-10:

“... the goods or services must be the same as those the subject of the earlier trade mark. Although not explicit, it would seem that this provision can only sensibly be interpreted as prohibiting registration where there is an overlap of goods or services.”

A footnote indicates that such interpretation is in accordance with Article 13 of Council Directive 89/104/EEC. Although not expressly included, it is well established that the TMA must be read subject to Article 13, which provides:

“Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.”

14. The equivalent to section 5(1) in Council Regulation (EC) No. 40/94 on the Community trade mark (“CTMR”) is Article 8(1)(a). Mr. Onslow referred me to two decisions of the Opposition Division of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (“OHIM”) concerning Article 8(1)(a) of the CTMR where identity of goods and services was found to subsist through overlaps in specifications. In WALLIS, Decision No. 1978/2004, identity was found *inter alia* between Class 14 specifications even though the contested CTM application covered additional goods in that class. The Opposition Division said:

“There is identity between the goods or services that are subject to comparison if they either have the same wording or can be considered synonyms. The identity is also found if the specification of the earlier mark includes a generic term that covers the specific goods of the

contested application. Similarly if the goods specifically designated in the earlier mark are covered by a generic term used in the contested application, such goods are identical, to the degree that they are included in the broad category.

Finally, in case that the goods in question overlap in part they are also to be considered as identical.”

A similar decision was arrived at in PACE, Decision No. 1033/2003. Again, the Class 41 services in the CTM application were wider than those in the earlier CTM registration. In addition, there was held to be identity between some of the applicant’s Class 42 services namely, “computer programming; providing of expert opinion”. The opponent’s registration was in respect of “consulting services related to improving and expediting product development, industrial research services, computer programming services” in Class 42. The Opposition Division observed:

“In particular, the applicant’s expression providing of expert opinion in class 42, is broad enough to encompass any consulting services registered by the opponent in class 42, which makes them equivalent to the extent that the one includes the other.”

15. The overlap test for identity of goods and services is also applied by the OHIM in connection with priority and seniority claiming under Articles 29, and 34 and 35 of the CTMR respectively. Indeed, it is recognised that partial priority claiming (i.e. where the subsequent application is for a narrower or wider specification than in the application(s) from which priority is claimed) is a possibility under section 33 of the TMA, which speaks of a right of priority “for some or all of the same goods or services” in a Convention application.

16. I believe that overlapping specifications satisfy the test for identical goods or services in section 5(1) of the TMA. There is no necessity for such specifications to co-extend.”

Consequent upon the overlap in relation to the goods of the United Kingdom registration and the goods of the application, I find that the respective goods are identical. If the goods of the application were limited to Australian wine, the respective goods would be identical in all ways other than place of production and so similar to the highest possible degree, if not strictly identical.

Comparison of trade marks

26) The trade marks to be compared are:

Gallo's trade mark:

Kingston's trade mark:

RIVERCREST

RIVERCLIFF

27) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*). The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*). Consequently, I must not indulge in an artificial dissection of the trade marks, although taking into account any distinctive and dominant components. The average consumer 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 he/she is deemed to be reasonably well informed and reasonably circumspect and observant (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV*). "The analysis of the similarity between the signs in question constitutes an essential element of the global assessment of the likelihood of confusion. It must therefore, like that assessment, be done in relation to the perception of the relevant public" (*Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02).

28) Both trade marks begin with the word 'river', they end with a five letter common English word that begins with a hard "c"; consequently, they have visual and phonetic similarities. As a whole neither has a meaning. Consequently, each trade mark follows the same pattern of construction. Dr James submitted that there was a conceptual similarity between the second words of the trade marks as they both alluded to a high point. I think that is a rather strained argument. In my view the two words are conceptually different. However, the marks in their entireties have to be considered, and in their entireties they have no readily grasped meaning; they are not like the words riverside or riverbed. That the trade marks have similarities does not make them similar. It is common place to state that the beginnings of word trade marks are more important in relation to giving rise to similarity than the endings. As the CFI stated in *Les Editions Albert René v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-336/03:

"75 It should be noted in this regard that the attention of the consumer is usually directed to the beginning of the word (Joined Cases T-183/02 and T-184/02 *El Corte Inglés v OHIM – González Cabello and Iberia Líneas Aéreas de España*(MUNDICOR) [2004] ECR II-0000, paragraph 83)."

Where the beginning of the trade mark is lacking in distinctive character this may not come into play. There is no evidence that "river" in relation to wines lacks distinctive character. As I have stated above the state of the register evidence does not tell me what has been happening in the market place. There is no obvious reason that "river" is

lacking in distinctiveness for wines. As the CFI found in *Succession Picasso v OHIM - DaimlerChrysler (PICARO)*, in considering whether trade marks are similar the perception of the relevant public has to be taken into account. The goods in questions are wines. These goods are purchased by a large swath of the public. There are experts and persons with a great interest in wines. However, there are also purchasers who will have little knowledge or interest in wines, possibly only purchasing them infrequently for special occasions or to take to parties. There will be those whose only interest is in getting drunk. I do not consider that the purchasing decision will necessarily involve particularly careful and educated consideration.

29) Taking all the relevant factors into account I find the trade marks are similar.

Conclusion

30) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*). In this case the respective goods are identical. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade marks (either by nature or nurture) the greater the likelihood of confusion (*Sabel BV v Puma AG*). The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (European Court of First Instance Case T-79/00 *Rewe Zentral v OHIM (LITE)* [2002] ETMR 91). In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ETMR 585). I cannot see that Gallo's trade mark is in anyway descriptive of or allusive to wines. I consider that RIVERCREST enjoys a good deal of inherent distinctiveness. Gallo has claimed a reputation in relation to its trade mark RIVERCREST. Reputation can give rise to enhanced protection. The enhanced protection that comes with a reputation has two possible effects. It can make a trade mark that does not enjoy a great deal of distinctiveness more distinctive and so cause a greater likelihood of confusion (*Sabel BV v Puma AG*). Reputation can also have an effect where there is only a limited degree of similarity between goods or services (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*). In this case the respective goods are identical and I have decided that the earlier trade marks enjoy a good deal of inherent distinctiveness. I cannot, therefore, see that reputation could improve the case of Gallo.

31) The goods could well be purchased without a great deal of care and could be the subject of sporadic purchase; increasing the possibility of the purchaser being the victim of imperfect recollection. Some wine purchasers will be exceptionally discerning and

careful in their purchasing decision. I have to consider the average consumer and not the atypical wine connoisseur. As I have stated above, I consider that the respective trade marks are similar. In their entirety neither mark has a meaning and so there is no conceptual hook for the memory of the consumer. In the case of imperfect recollection, I could readily imagine the average consumer “hooking” on to the “river” beginning and the common English word beginning with a hard “c” and taking the goods of Gallo to be those of Kingston or vice versa. It has been in no way determinative of my decision, but in writing this decision I have regularly confused the two trade marks.

32) Consequent upon the above, I find that there is a likelihood of confusion and that the application should be refused in its entirety.

COSTS

33) E & J Gallo Winery having been successful is entitled to a contribution towards its costs. I order Kingston Estate Wines Pty Ltd to pay E & J Gallo Winery the sum of £1700. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 21st day of September 2006

**David Landau
For the Registrar
the Comptroller-General**