

O-142-07

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL TRADE MARK
REGISTRATION NO. M846992
IN THE NAME OF ADEGA COOPERATIVA DE REDONDO, C.R.L.**

AND

**IN THE MATTER OF APPLICATION FOR A
DECLARATION OF INVALIDITY NO. 16074
THERE TO BY TERRACE ROAD TRADING (PTY) LIMITED**

IN THE MATTER OF International trade mark registration No. M846992
in the name of AdegA Cooperativa de Redondo, C.R.L.

AND

IN THE MATTER OF application for a Declaration of Invalidity
No. 16074 thereto by Terrace Road Trading (Pty) Limited

BACKGROUND

1. The International trade mark LONGITUDE was placed on the international register designating the UK on 6 April 2005, has been protected in the UK since 25 September 2005 under number M846992 and stands in the name of AdegA Cooperativa de Redondo, C.R.L. It is protected in respect of:

Class 33: Wines and eaux-de-vie.

2. On 17 March 2006, Terrace Road Trading (Pty) Limited filed an application for a declaration of invalidity of the UK designation. The action was filed on Form TM26(I) together with the appropriate fee. The statement of case accompanying the application set out the grounds of action, which are as follows:

- Under sections 47(2) and 5(4)(a) of the Act as the applicant claims a reputation in the trade mark LONGITUDE and that use of the protected trade mark would amount to passing off.

3. In the statement of case the applicant states that they have applied for a UK registration, under number 2415992, for their mark LONGITUDE in class 33 in respect of “wines; table wines”. They also assert that they have used the mark in the UK in relation to the sale of wines since at least 2001 with an average UK sales figure of 2390 cases of wine per year.

4. On 24 March 2006 a copy of the application for invalidation and the statement of grounds were sent to the registered proprietor at his address as recorded on the register. In the accompanying letter it was stated that the registered proprietor would need to appoint a representative in the UK to act for them as well as filing a Form TM8 and counter statement. The registered proprietor did not appoint a representative, neither did they file a Form TM8 and counter-statement to defend the registration.

5. It does not however follow that the uncontested nature of this action will automatically mean success for the applicant for invalidity and failure for the registered proprietor. The onus in these circumstances is on the applicant for invalidity to prove why it is that the registration should be declared invalid.

6. I am mindful of the decision in the *Firetrace Case* (BL 0/278/01) where the Hearing Officer stated:

“It is not sufficient to simply allege that a registration offends either Section 46 or 47 of the Act without doing more to prove that the allegation has substance. That said, when an application for revocation (other than non-use) or invalidation is made and the registered proprietors choose not to respond to such a request, I do not think that it is necessary for the applicants in those circumstances to have to fully substantiate their allegations beyond providing evidence which supports a prima facie case.”

7. The reason that the Hearing Officer arrived at this view is the statutory presumption in Section 72 of the Act which states:

“In all legal proceedings.....the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it.”

8. With this in mind, on 16 May 2006, the Registrar wrote to the applicant’s representative inviting him to file any evidence or make any submission which he felt would support his client’s application to, at the least, establish a prima facie case. He was also invited to state whether he wished to be heard or would accept a decision from the papers filed.

9. On 25 July 2006 the applicant for invalidity provided a witness statement, with exhibits, detailing the case against the registered proprietor.

10. The evidence and exhibits submitted consist of a witness statement, by Michelle Odette MacRae, the Logistics/Office Manager of Terrace Road Trading (Pty) Limited trading as Flagstone Winery, dated 17 July 2006, and eight bundles of exhibits. The witness statement first states that the applicant company was founded in 1998, however it goes on to state that the office premises were broken into in June 2003 and the company computer systems stolen, therefore information prior to that date is based on personal knowledge with substantiation from third parties. In introducing Exhibits 1 and 2 the witness states that the company was incorporated on 16 March 1998 according to the laws of South Africa, with the core business of the company being the production and sale of high quality branded wines. The witness goes on to state that the applicant has a strong reputation in relation to wine, assisted by the reputation of their winemaker; she then introduces Exhibits 3 and 4 which are from web sites giving details of the applicant and their business. It is stated that the primary distributor in the UK is Oddbins and from that source they supply the following figures for bottles of wine supplied by the applicant; Exhibit 5 comprises a selection of purchase orders from Oddbins evidencing sales to the UK since 2001.

Year	Number of bottles
2001	22000
2002	24200
2003	3000
2004	29316
2005	12396
2006	1800

Additionally, it is stated that they supplied 240 bottles to Abbey Fine Wines in January 2005 and 7200 bottles to Averys Wine Merchants (Telegraph Wines) in May 2006; Exhibit 6 is a selection of printouts from web sites featuring and offering for sale LONGITUDE branded wines. At Exhibit 7 is a selection of prints from an internet archive to show how the applicants web site advertised LONGITUDE wines between 2001 and 2005; and it is also stated that between January and June 2006 there were 4792 visitors to the applicants web site, 21% of these being from the UK. At Exhibit 8 are a further set of internet prints from the web site of a leading UK wine expert, Jancis Robinson, and from an information web site. The witness goes on to assert that from her knowledge of the wine market the public will associate the mark LONGITUDE with Flagstone and therefore their business will be affected through loss of sales and damage to their reputation.

- Exhibit 1 – this comprises a copy of a print from the web site of the Companies and Intellectual Property Registration Office of South Africa showing the registration date for Terrace Road Trading, 16 March 1998, and also a copy of letter headed company paper showing that Terrace Road Trading (Pty) Limited trade as Flagstone Winery.
- Exhibit 2 – this comprises a print from the Flagstone web site showing the range of wines they trade in; this shows that within their Foundation range they have a wine using the mark LONGITUDE. This print is dated 11 July 2007 and is therefore after the relevant date.
- Exhibit 3 – this comprises a print from the Wine Society web site referring to one of the Flagstone wines, Writers Block Pinotage 2002, giving some detail of the company and Bruce Jack. This print is dated 11 July 2007 and is therefore after the relevant date.
- Exhibit 4 – this comprises an archive print from the Stormhoek web site referring to the company, Flagstone, and Bruce Jack. This print is dated 11 July 2007 but the article is dated 12 February 2006.
- Exhibit 5 – this comprises nineteen purchase orders from Oddbins to Flagstone Winery, dated variously between 25 April 2001 and 23 March 2006, all including orders for Flagstone LONGITUDE wine. These orders ranging from 150 to 1182 cases of wine, each case comprising 12 bottles.

- Exhibit 6 – this comprises a print from the Telegraph Wine web site referring to the Flagstone LONGITUDE 2004 vintage being available for purchase, this is dated 12 July 2006 and is therefore after the relevant date, and also a print from the Oddbins web site referring to the Flagstone LONGITUDE wine as being available for purchase, this print is dated 22 June 2006 but contains product reviews dated 16 March 2006 which is before the relevant date.
- Exhibit 7 – this comprises a series of prints from the Waybackmachine Internet web archive site, the prints were produced on 11 July 2007 but from the archive addresses it can be seen that these are copies of the Flagstone web site at various dates during 2001, 2002, 2003, 2004 and 2005, each show the mark LONGITUDE in use for wine by the company.
- Exhibit 8 – this comprises a print from the Jancis Robinson web site referring to the Flagstone LONGITUDE 2002 vintage, this was printed on 22 June 2006 but is from an article dated on the web site 25 February 2005, and also a print from the Answerbank web site where in reply to a question about red wine a respondent refers to Flagstone LONGITUDE, the print is dated 11 July 2006 but the reference is dated 14 July 2004.

11. Acting on behalf of the Registrar and after a careful study of the papers before me I give the following decision.

DECISION

12. The applicant claims that the registration should be declared invalid as per section 47 of the Act on the basis of the provisions of section 5(4)(a). The relevant parts of the Act are as follows:

“47. - (1)

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

(a)

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

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

“5. - (1)

(2)

(3)

(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

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

13. With regard to section 5(4)(a) of the Act the requirements for this ground of action have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *Wild Child* trade mark [1998] RPC 455. Adapted to these proceedings, the three elements that must be present can be summarised as follows:

- (1) that the applicants’ goods have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the registered proprietor (whether or not intentional) leading or likely to lead the public to believe that goods offered by the registered proprietor are goods of the applicant, and
- (3) that the applicants have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the registered proprietors’ misrepresentation.

14. The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. The relevant date may therefore be either the date of the application for the mark in suit (although not later), or the date at which the acts first complained of commenced - as per the comments in *Cadbury Schweppes Pty Limited v. The Pub Squash Co Pty Ltd* [1981] RPC 429. The registered proprietor has not provided any evidence to substantiate use at an earlier and therefore I take the date of application as the relevant date, i.e. 17 March 2006.

15. With these considerations in mind I turn to assess the evidence filed on behalf of the applicant in the present proceedings as set out earlier in this decision. It is clear that the applicant has been trading to the UK since 2001, that this trade has been substantial

taking account of the wine supplied to Oddbins alone. The wine sold under the mark has been promoted by Jancis Robinson, an acknowledged wine expert well known in the media, and has gained a reputation such that members of the wine buying public mention the wine in Internet discussions. From this it can be inferred that the applicant has acquired a reputation or goodwill in the mark LONGITUDE.

16. The marks are identical, and whilst the applicant's mark is frequently used in conjunction with the mark FOUNDATION which refers to a range of their wines each then sold under a differentiating mark, such as LONGITUDE, there is no evidence before me to demonstrate how the protected mark will be used. With regards to the goods the applicant has demonstrated that they use the mark in relation to wine. The specification of the protected mark is "Wines and eaux-de-vie", clearly wines in this specification is identical to the applicant's use of their mark. Eau-de-vie (plural eaux-de-vie) is a French expression meaning water of life and is a term used for a colourless brandy, derived from one or more fruits, prepared via fermentation and double-distillation. The term eau-de-vie is also informally used for similar beverages hailing from non-French speaking countries. As such eaux-de-vie are fruit based alcoholic beverages and are therefore similar to wine. The protected sign is identical to the trade mark of Flagstone and the goods are identical or similar. I consider that use of the protected trade mark will inevitably cause confusion and deception.

17. Owing to the earlier mark and the protected trade mark being identical and the respective goods being identical or similar, damage is inevitable if the protected trade mark is used. Such damage would arise from diverting trade from Flagstone to Adegá Cooperativa de Redondo, C.R.L., the injury which is inherently likely to be suffered by any business when on frequent occasions it is confused by customers or potential customers with a business owned by another proprietor or is wrongly regarded as being connected with that business.

18. The application for a declaration of invalidity made under section 47(2)(b) based upon section 5(4)(a) of the Act therefore succeeds.

19. As to costs, the applicant has been successful, and I order Adegá Cooperativa de Redondo, C.R.L. to pay them £900. This sum is to be paid within seven days 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 30th day of May 2007

**Graham Attfield
For the Registrar
the Comptroller-General**