

O-157-15

TRADE MARKS ACT 1994

**APPLICATIONS 3038474 & 3037926 BY BALL & YOUNG LIMITED
TO REGISTER TWO MARKS INCLUDING THE WORD 'CHAMPAGNE'
IN CLASSES 19 & 27**

AND

**OPPOSITIONS 402212 & 402213
BY COMITE INTERPROFESSIONAL DU VIN DE CHAMPAGNE**

BACKGROUND

1. This is an opposition by Comite Interprofessional du vin de Champagne (“the opponent”) against two applications filed on the 15th and 20th January 2014 by Ball & Young Limited to register the trade marks shown below.

Application 3037926:

LOUD 9 CAVIAR AND CHAMPAGNE COLLECTION

Application 3038474:



2. The goods covered by the ‘926 application are:

Class 19

Non-metallic flooring; floor coverings of wood; laminated wood flooring; non-metallic floor coverings for finishing semi-finished floors; floorboards; floor blocks, floor components, floor coverings, floor panels, floor screed, floor sections, floor tiles, all made of non-metallic materials; non-metallic materials for use in building and/or construction; non-metallic materials having acoustic properties for use in building and/or construction; parts and fittings for the aforementioned goods.

Class 27

Floor coverings; coverings for existing floors; floor covering materials for existing floors; non-metallic tiles for covering existing floors; floor coverings having insulating and/or sound absorbing properties; floor cushioning; carpets; carpeting; carpet tiles; floor tiles made of cork; linoleum; mats; matting; rugs; runners; carpet inlays; carpet protectors (mats); underlay for use with carpets, carpeting, carpet tiles, floor tiles made of cork and/or linoleum, linoleum, mats, rugs, runners; backings and underlays, all made of latex, rubber or foam materials and/or a combination thereof; underlay for tiles; non-metallic materials for use as underlay's. parts and fittings for the aforesaid goods.

3. The goods covered by the ‘464 application are the same, except that the lists of goods are qualified by the words “*all being manufactured in the United Kingdom*”. This no doubt reflects the statement in the ‘464 mark itself that the goods are “*Proudly made in the UK*”.

4. The grounds of opposition are, in summary, that:

- i) The opponent is a trade association representing the growers of grapes and producers of wine in the French region of Champagne. Champagne is a famous wine-producing region. The name of Champagne has been protected under French law since 1908. It is also protected as a designation of origin under European Union law, specifically by Council Regulation (EC) 1308/2013 (“the Regulation”).
- ii) Article 103(2) of the Regulation protects the name against:
 - “a) any direct or indirect commercial use of a protected name:....insofar as such use exploits the reputation of a designation of origin or a geographical indication;
 - b) any misuse, imitation or evocation even if the true origin of the product or service is indicated....”
- iii) Use of the applicant’s trade marks is commercial use which exploits the reputation of Champagne. Use of the applicant’s marks would also misuse, imitate or evoke the name Champagne, even where the true origin of the products is indicated. Consequently, use of the applicant’s marks would be contrary to articles 103(2)(ii) and 103(2)(b) of the Regulation. This means that use of the applicant’s marks would be contrary to European law and registration of the marks should therefore be refused under s.3(4) of the Act.
- iv) The applicant’s marks would be connected with Champagne. Consequently, by including a protected designation of origin and appropriating the name of a wine of the highest repute and quality, the applicant’s marks are liable to deceive the public as to the quality and origin of the applicant’s goods. Registration would therefore be contrary to s.3(3)(b) of the Act.
- v) The applicant has no genuine connection with Champagne and chose to the use word Champagne for opportunistic reasons in the full knowledge that of the true ownership of the name and goodwill associated with that name, and has therefore acted in bad faith. Registration should therefore be refused under s.3(6) of the Act.
- vi) The traders in Champagne wines, represented here by the opponent, have built up valuable goodwill in the UK. As a result, use of the opposed mark is liable to be prevented by the law of passing off. This is because the applicant’s potential customers or licensees would be

falsely led to believe that producers of Champagne have endorsed or licensed the applicant's products. Use of the applicant's marks would:

- a) erode the exclusive goodwill of the Champagne producers;
- b) result in the Champagne producers losing control of their goodwill and being prevented from launching products of their own in the applicant's field of trade;
- c) cheapen and debase the reputation of the Champagne producers.

Registration of the applicant's marks would therefore be contrary to s.5(4)(a) of the Act.

- vii) By virtue of its large and long-established reputation, the designation Champagne is entitled to protection under article 6*bis* of the Paris Convention as a well known trade mark. It therefore qualifies as an "earlier trade mark" under s.6(1)(c) of the Act.
- viii) The use of the opposed marks for anything other than wines from Champagne would, without due cause, take unfair advantage of the distinctive character and repute of the earlier trade mark by appropriating to themselves some part of that character, particularly the glamour and image of Champagne. Such use would also be detrimental to the distinctive character and repute of the earlier mark by diluting and diminishing the distinctiveness, uniqueness, effectiveness and prestigious connotations of the designation Champagne. Registration of the opposed mark would therefore be contrary to s.5(3) of the Act.

5. The applicant filed counterstatements denying the grounds of opposition.

6. Both sides seek an award of costs.

7. The opposition proceedings against the applicant's marks are consolidated.

Representation

8. The applicant is represented by Mr Benet Brandreth of counsel, instructed by Novagraaf UK. The opponent is represented by Lee Bolton Monier-Williams, solicitors. Neither party asked to be heard, but I have had the benefit of written submissions from both parties.

The opponent's evidence

9. The opponent's evidence consists of a witness statement by Claire Marie Morgan, who is a solicitor and partner in the firm of Lee Bolton Monier-Williams. The noteworthy facts in this evidence are that:

- The name Champagne has been established in the UK for more than 50 years and its reputation has been recognised in cases before the English courts, such as *Bollinger and Others v Costa Brava Wine Company Ltd*;
- The UK is the largest export market for Champagne.
- In 2013, over 136 million bottles of Champagne were exported from France, and over 30 million of these bottles were exported to the UK.

The passing off right, deceptiveness and bad faith objections

10. I find that there is no merit in any of these grounds and I reject them all.

11. Section 5(4)(a) is as follows:

- (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

12. It is well established that passing off depends upon the existence of a) goodwill, b) misrepresentation, and c) damage. Ordinarily the goodwill is that of a particular business, but the courts have long been prepared to recognise and prevent deceptive use of names that are distinctive of a particular class of products¹. There is no doubt that Champagne has a qualifying reputation and goodwill for wines which is protected under what has become known as the 'extended form' of passing off. However, it is clear that misrepresentation remains an essential component of any passing off action and that depends on whether the offending sign will cause confusion or deception, or the likelihood of this².

13. The English case law applying the extended form of the law of passing off is invariably concerned with the misuse of established names for similar products. This is not the case here. Instead I have to assess the likelihood of a significant number of consumers or potential consumers of Champagne being deceived by the use of the opposed marks in relation to flooring products, including carpet and underlay.

¹ See *Bollinger v Costa Brava* [1960] RPC 16 and *Erven Warnink B.V. and Another v J. Townend & Sons (Hull) Ltd and Another (Advocaat)* [1980] RPC 31, HL.

² See the speech of Lord Diplock in *Advocaat* at page 93, lines 26-30, in *Advocaat*.

True it is that the law of passing off can apply even where the parties are engaged in different fields of business³. However, the absence of a common field of activity is an important factual issue when it comes to establishing the likelihood of passing off. As Millett L.J. said in *Harrods Limited v Harrodian School Limited*⁴

“Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other”

14. Given the differences between the name Champagne and the applicant's marks as a whole, and given the difference between sparkling wine and flooring products, it is indeed difficult to imagine how anyone could be deceived or confused. The opponent's response to this difficulty is that the applicant's potential customers or licensees would be falsely led to believe that producers of Champagne have endorsed or licensed the applicant's products. In this respect, the opponent relies on the case of *Irvine v Talksport*⁵. However, that was a case involving a racing driver and a radio station specialising in sports coverage. There was therefore a link between the parties' activities which made it plausible that the public would believe that Mr Irvine was endorsing the radio station. The facts in this case are far removed from those in *Irvine v Talksport*. The name Champagne is distinctive of a class of products, i.e. sparkling wine from the Champagne region. There is no apparent connection between such sparkling wine and flooring products. In these circumstances, I see no reason to believe that anyone will believe that the applicant's flooring products have been endorsed or licensed by producers of Champagne. In my view, this is a fanciful proposition, so much so that it was unreasonable for the opponent to have put it forward. As use of the applicant's marks will not amount to a misrepresentation to the public, the opponent's passing off right claim must be rejected.

15. The authorities indicate that trade associations who do not themselves trade in the relevant goods have no right to bring a passing off action in their own names⁶. Article 2 of the Trade Marks (Relative Grounds) Order 2007⁷ states that only the owner of an earlier right is entitled to bring opposition proceedings under s.5(4) of the Act. That section defines the owner of an earlier right as being “a *person....entitled to prevent the use of a trade mark....*”. The net effect of these

³ See *Lego* [1983] FSR 194

⁴ [1996] RPC 697

⁵ [2003] EWCA Civ 423

⁶ See *Chocosuisse v Cadbury* [1999] RPC 826, CA.

⁷ S.I. 2007/1976

provisions is that the right to bring an opposition under s.5(4)(a) is limited to those entitled to bring a passing off action in the courts. The opponent is not a Champagne producer and does not therefore appear to own a share of the goodwill under that name. Consequently, if the passing off right case had merit I would have considered whether the opponent should be given the opportunity to add further parties to the opposition who are entitled to bring an action for passing off before the UK courts. However, as I have found that the passing off case must clearly be rejected in any event, it is not necessary for me to do any more than note the point in case the matter goes further.

16. Section 3(3)(b) is as follows:

A trade mark shall not be registered if it is-

(a) -

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).

17. I have found that the applicant's trade marks are not liable to mislead the public. The opposition under this heading therefore adds nothing to the s.5(4)(a) ground.

18. As regards the bad faith ground of opposition, the opponent relies, in particular, on the judgment of Arnold J. in *Pavel Maslyukov v Diageo Distilling Limited, Diageo Scotland Limited*⁸ in which the judge upheld the decision the hearing officer to reject applications by Mr Maslyukov to register the names of three former Scottish distilleries with a residual reputation for whisky as trade marks for his own whisky. The opponent drew my attention to the following passage in the decision of the hearing officer, which found favour with the judge.

“Mr Maslyukov had the whole lexicon of the world to choose from in deciding upon trade marks. He chose the names of distilleries, distilleries which are or had been owned by Diageo or Diageo's predecessors in business. He gives no persuasive reason as to why he chose these names. He states that he applied for the Convalmore and Pittyvaich trade marks in order to let the historic brands survive. I do not think that the conservation movement had extended into fighting for the survival of 'historic brands'. I cannot see that there can be any reason for the applications than to use them as a springboard for his proposed business. As a springboard there must be a hope that the products would be identified with the distilleries and take on board the reputation that they have or had.”

19. However, the applicant in that case was intending to trade in the same goods as the opponent and the hearing officer's references to the applicant's marks taking the reputation of the old distilleries has to be seen in that context. In this case, the

⁸ [2010] EWHC 443 (Ch)

respective goods are very different and there will be no deception. The most that can be said is that the applicant intends to use its marks to associate its products with a class of famous luxury products in order to convey the message that its products are similarly high class. In other words that it is using Caviar and Champagne as exemplars of 'luxury'. The law in relation to s.3(6) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*⁹. It is sufficient for present purposes to highlight these two points from the judge's analysis:

"133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8]."

20. Using the name of a class of luxury products in order to exemplify the message of 'luxury' in relation to completely unrelated goods may be frowned on by IP lawyers, and by the producers of the class of luxury product in question, but I do not think that "*reasonable and experienced men in the particular area being examined*" i.e. traders in flooring products, would regard this as "*unacceptable commercial behaviour*". Indeed I suspect that many such traders would require an explanation in order to understand why the producers of Champagne would object to such use. Consequently, even if the applicant's proposed use of its marks is caught by the Regulation protecting the reputations of designations of origin for wines, I would still reject the opponent's claim that the applications were made in bad faith.

USE CONTRARY TO LAW?

21. This brings me to the s.3(4) ground, which in my view represents the only arguable ground of opposition. Section 3(4) states that:

(4) A trade mark shall not be registered if or to the extent that its use is prohibited in the United Kingdom by any enactment or rule of law or by any provision of Community law.

⁹ [2012] EWHC 1929 (Ch)

22. It is common ground that ‘Champagne’ is a protected designation of origin and there does not appear to be any dispute that it was protected at the dates of filing of the opposed trade mark applications. The applicant accepts, as it must, that Champagne has a reputation as “*a particular sparkling wine of the highest quality*”.

23. The opponents rely on articles 102 and 103 of EU Regulation 1308/2013, which governs the use of protected designations of origin for wine and the relationship between protected designations for wine and trade marks. The articles in question are as follows.

“Article 102

Relationship with trade marks

1. The registration of a trade mark that contains or consists of a protected designation of origin or a geographical indication which does not comply with the product specification concerned or the use of which falls under Article 103(2), and that relates to a product falling under one of the categories listed in Part II of Annex VII shall be:

a) refused if the application for registration of the trade mark is submitted after the date of submission of the application for protection of the designation of origin or geographical indication to the Commission and the designation of origin or geographical indication is subsequently protected; or

b) invalidated

2. Without prejudice to Article 101(2), a trade mark referred to in paragraph 1 of this Article which has been applied for, registered or established by use in good faith, if that possibility is provided for by the law concerned, in the territory of the Union either before the date of protection of the designation of origin or geographical indication in the country of origin, or before 1 January 1996, may continue to be used and renewed notwithstanding the protection of a designation of origin or geographical indication, provided that no grounds for the trade mark's invalidity or revocation exist under Directive 2008/95/EC of the European Parliament and of the Council under Council Regulation (EC) No 207/2009.

In such cases, the use of the designation of origin or geographical indication shall be permitted alongside the relevant trade marks.

Article 103

Protection

1. A protected designation of origin and a protected geographical indication may be used by any operator marketing a wine which has been produced in conformity with the corresponding product specification.

2. A protected designation of origin and a protected geographical indication, as well as the wine using that protected name in conformity with the product specifications, shall be protected against:

(a) any direct or indirect commercial use of that protected name;

(i) by comparable products not complying with the product specification of the protected name; or

(ii) in so far as such use exploits the reputation of a designation of origin or a geographical indication;

(b) any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is translated, transcribed or transliterated or accompanied by an expression such as "style", "type", "method", "as produced in", "imitation", "flavour", "like" or similar;

(c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the wine product concerned, as well as the packing of the product in a container liable to convey a false impression as to its origin;

(d) any other practice liable to mislead the consumer as to the true origin of the product.

3. Protected designations of origin and protected geographical indications shall not become generic in the Union within the meaning of Article 101(1)."

24. Regulation 102 prohibits the registration of trade marks for products falling within the categories listed in Part II of Annex VII to that regulation. This covers wine, grape must and wine vinegar.

25. The applications do not cover any product which falls within Part II of Annex VII of Regulation 1308/2013. Therefore article 102 cannot provide a ground for refusal. However, article 103 appears to be wider in scope than article 102 because it is not limited to products falling within Part II of Annex VII. This is confirmed by the wording of article 103(2)(b) itself, which prohibits "*any misuse, imitation or evocation [of the protected name], even if the true origin of the product or service is indicated*" (emphasis added). Further, the opponent points out that recital 97 to the Regulation states that:

"Registered designations of origin and geographical indications should be protected against uses which take advantage of the reputation enjoyed by complying products. So as to promote fair competition and not to mislead consumers, this protection should also extend to products and services not covered by this Regulation, including those not found in Annex I to the Treaties."

26. I conclude that article 103(2) of Regulation 1234/2007 is capable of applying to non-wine products. And as s.3(4) prohibits registration of a trade mark in the UK if, or the extent that, its use would be contrary to any provision of Community law, I find that trade marks whose use would be prohibited by article 103 are excluded from registration by s.3(4), even if they not caught by article 102.

27. The opponent's pleaded case relies on articles 103(2)(a)(ii) and 103(2)(b). The latter protects designations of origin against *'any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is translated etc.'* I find that the use of the opposed mark for the goods covered by the application would not be contrary to the prohibition in article 103(2)(b) of the Regulation. This is because the applicant's use of the opposed marks for the goods at issue, which have absolutely no connection with the goods protected by the designation of origin, cannot be regarded as *"misuse"* or *"imitation"* of the protected name for wines, and the prohibition about *"evocation"* is not relevant because that is intended to cover different names which call the protected name to mind rather than uses of the protected name as such¹⁰.

28. I note that the recital reproduced above identifies the purposes of the provisions in question as being to promote fair competition and to avoid consumers being misled. Articles 103(2)(a)(i), 103(2)(c) and 103(2)(d) contain provisions which are plainly intended to avoid consumers being misled as to whether products comply with the specification of a protected name. The use of the words *"any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product"* and *"any other practice liable to mislead the consumer as to the true origin of the product"* (emphasis added) in articles 103(2)(c) and (d) appear to confirm that article 103(2)(b) is directed at the use of names for products or services that are capable of misleading consumers about the provenance or essential qualities of wines, or at least of displaying some of the same qualities as wines. The applicant's goods are so different to wines that they could not be mistaken for the products protected by the specification. For the same reason, use of the word 'Champagne' in the applicant's marks could not mislead consumers about any of the essential qualities of the applicant's flooring products. Consequently, I find that such use would not engage article 103(2)(b).

29. Article 103(a)(ii) prohibits the use of *'any direct or indirect commercial use of a protected name in so far as such use exploits the reputation of a designation of origin or a geographical indication'*. The opponent submits that use of the applicant's mark exploits the reputation of Champagne as a luxury product in order to designate its own, albeit very different goods, as luxury products.

30. The applicant makes a number of points in response to the opponent's submission. Firstly, it says that the opponent's objections fail to take account of the general laudatory connotation that Champagne now has, as illustrated by its use in common phrases, such as 'Champagne Charlie' and 'Champagne lifestyle'. Secondly, it says that the objection fails to take into account that champagne is also a colour. Thirdly, it says that the rationale for Regulation 1308/2013, as set out in

¹⁰ See, by analogy, paragraph 56 of the judgment of the CJEU in Cases C-4/10 and C-27/10, *Bureau national interprofessionnel du Cognac v Gust.Ranin Oy*

Recital 92 to the Regulation, is to protect consumers who are seeking particular characteristics in a product from being misled by inappropriate use of the designations on products not having those characteristics. Consequently, the reference in article 103(2)(a)(ii) to “...*use of a protected name in so far as such use exploits the reputation of a designation of origin or a geographical indication*” should be understood to cover the misuse of Champagne in relation to products which could have the essential characteristics listed in the product specification for Champagne, such as the soft drink once called ‘elderflower champagne’, but in fact do not. Fourthly, the applicant says that the opponent’s position is that Regulation 1308/2013 introduces strict liability for any use of the word Champagne, which is unjustified and inconsistent with the registrar’s examination practice of applying the regulation only in connection with trade marks for food and drink products.

31. In support of the last two points, the applicant draws my attention to the judgment of the Court of Justice of the European Union (“CJEU”) in *Bureau national interprofessionnel du Cognac v Gust. Ranin Oy*¹¹ in which the court examined the conditions for the application of similar provisions in Article 16 of Regulation No 110/2008 covering spirit drinks and stated in paragraph 47 of its judgment that:

“47. The protection thus conferred on geographical indications by Article 16 of Regulation No 110/2008 must be interpreted in the light of the objective pursued through the registration of those indications, namely – as is clear from recital 14 to that regulation – to enable the identification of spirit drinks as originating in a particular area, where a given quality, reputation or other characteristic of those drinks is essentially attributable to its geographical origin.”

32. In my view, there is no merit in the applicant’s first two points. The use of ‘champagne’ as a laudatory word in common parlance, such as ‘Champagne lifestyle’, does not represent (or justify) commercial use of ‘champagne’ contrary to Regulation 1308/2013. The fact that champagne is also the name of a colour is irrelevant so far as these applications are concerned. This is because the applicant’s marks plainly do not use the word ‘Champagne’ as a colour. That word (and the associated word ‘caviar’ and device of a glass of champagne in the ‘474 mark) is obviously used to help characterise the applicant’s goods as luxury products. Indeed, in its written submissions of 24 December 2014, the applicant accepted that the words ‘Caviar and Champagne Collection’ in the opposed marks would be understood by the public as denoting the high quality of the applicant’s products. The applicant could easily represent its products as high quality or luxury products by simply calling them such. The applicant must therefore see some marketing benefit from conveying this message by the alternative method of comparing the quality of its flooring to Caviar and Champagne. By doing so the applicant’s marks take advantage of the reputation of Champagne for high quality prestige wines in order to

¹¹ Joined cases C-4/10 and C-27/10

cast the applicant's goods as comparably high quality prestige flooring products. In that sense, the applicant is using the reputation that the producers of Champagne have established for their wines. That reputation is at least partly due to their restricted geographical origin, as set out in the registered product specification.

33. This could not be said of most, if not all, of the existing registered trade marks cited by the applicant, such as CHAMPAGNE CORK, CHAMPAGNE TRUFFLE, CHAMPAGNE AND ROSES, and PINK CHAMPAGNE SISTERS. These marks may reference the protected product, but they do not do so in a way that uses 'champagne' as a laudatory designation of the goods/services sold under the marks. They cannot therefore be held to exploit the reputation of Champagne as a protected designation of origin for high quality wines. This shows that the applicant's fourth point, that the opponent's case amounts to seeking a complete monopoly over the commercial use of the word 'champagne', is overstated. Further, even if any of the existing registered trade marks are on all fours with the opposed marks, it is well established that the registrar is not bound by his own previous practice, or by the acceptance of other trade marks.

34. The key issue, therefore, is whether article 103(2)(a)(ii) of Regulation 1308/2013 prevents the exploitation of the reputation of a protected designation of origin for high quality wines *per se*, or only prevents the exploitation of such a reputation to the extent that the specific or "essential" characteristics of wines, as set out in the registered product specification, are transferable to other products or services. This is a pure question of law.

35. The opponent submits that CJEU's judgment in *Bureau national interprofessionnel du Cognac* is not helpful because the wording of the Regulation governing spirit drinks is not the same as the wording of articles 102 and 103 of Regulation 1308/2013. I disagree. The wording (shown below) of article 16 of Regulation 110/2008 is virtually the same as the wording of article 103 of Regulation 1308/2013. Paragraph (a) is shown below.

“... the geographical indications registered in Annex III shall be protected against:

(a) any direct or indirect commercial use in respect of products not covered by the registration in so far as those products are comparable to the spirit drink registered under that geographical indication or insofar as such use exploits the reputation of the registered geographical indication;”

36. I note that the paragraph of the court's judgment to which the applicant draws attention, which states that the protection conferred through article 16 of Regulation 110/2008 must be interpreted in the light of the objective pursued through the

registration of geographical indications for spirits, is preceded by the following guidance as to the scope of that provision.

“46. Points (a) to (d) of Article 16 of Regulation No 110/2008 refer to various situations in which the marketing of a product is accompanied by an explicit or implicit reference to a geographic indication in circumstances liable to mislead the public as to the origin of the product or, at the very least, to set in train in the mind of the public an association of ideas regarding that origin, or to enable the trader to take unfair advantage of the reputation of the geographical indication concerned.” (emphasis added)

37. The last point suggests that taking unfair advantage of the reputation of a geographical indication is caught by Regulation 110/2008, even if it does not mislead the public as to the origin of the product, or even set in train in the mind of the public an association of ideas regarding that origin. The court’s subsequent reference in paragraph 47 of its judgment to the provision being interpreted in the light of the objective pursued through the registration of geographical indications for spirits does not therefore appear to have been intended to limit the scope of article 16 to uses through which the specific characteristics of wines, as set out in the registered product specification, can be transferred to other products or services. It follows from this analysis that all uses which exploit the reputation of a protected designation of origin are caught by article 103(2)(a)(ii) if they take unfair advantage of that reputation.

38. In the context of trade mark law, the CJEU has made it clear that it is unfair under European law to use a trade mark, without due cause, in order to benefit from the power of attraction of an earlier mark with an established reputation. In *L’Oreal v Bellure*¹² the court stated that:

“Article 5(2) of Directive 89/104 must be interpreted as meaning that the taking of unfair advantage of the distinctive character or the repute of a mark, within the meaning of that provision, does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of the mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark’s image.”

39. It can be seen from this passage that the absence of any detriment to the reputation of the earlier trade mark is not sufficient to exclude the possibility that the use of a later mark may be regarded as unfair. Further, as with geographical

¹² Case C-487/07, at paragraph 49.

indications, European trade mark law prevents unfair advantage from being taken of a trade mark with a reputation, even where the respective products are dissimilar. For example, if the applicant wanted to use the name 'Rolls Royce Collection' in order to promote its products as ultra luxury products, there is not much doubt that such use would be regarded as unfairly exploiting the reputation of that trade mark by transferring the earlier mark's image for luxurious very high quality motor cars to the goods of the applicant.

40. Although the functions of a trade mark are different to those of a geographical indication, both types of sign are intended to help consumers to make informed choices between competing products. Further, both types of sign are capable of identifying the high quality of the products in relation to which they are protected¹³, and recital 97 to the Regulation appears to recognise that the reputation of a geographical indication for wines is capable of being exploited in relation to a different class of products. It is not therefore obvious, at least to me, why the use of a trade mark in relation to flooring products cannot be regarded as taking unfair advantage of a protected designation of origin with a reputation for particularly high quality wines.

41. The applicant drew my attention to a small number of decisions of OHIM covering trade marks and geographical indications, but none of these are directly relevant. So far as I am aware, there is no case law which is directly on point. The relationship between article 103(2)(a)(ii) of Regulation 1308/2013 and article 3(2)(a) of the Trade Marks Directive 2008/95 may require clarification from the CJEU at some point. However, neither of the parties in this case has proposed such a reference, and even if they had, I do not think that the Registrar of Trade Marks has the necessary standing to refer a question of law to that court. I must therefore make my own decision making the best I can of the materials available to me.

42. Given the CJEU's case law, I think it likely the CJEU would find that a trade mark which uses the name of a protected designation of origin with a reputation for prestigious wines of the highest quality, in relation to dissimilar products, in order to benefit commercially from an association with such products, unfairly exploits the reputation of the protected designation of origin.

43. In the light of my findings of fact in paragraph 32 above, I therefore find that use of the applicant's mark would exploit the reputation of Champagne as a protected designation of origin for wines of the highest quality contrary to article 103(2)(a)(ii) of Regulation 1308/2013. The ground of opposition under s.3(4) of the Act succeeds accordingly.

¹³ Recital 92 to Regulation 1308/2013 indicates that the protecting the quality of protected wines is central to the purpose of the regulation.

Opposition based on champagne being a well known mark

44. Section 6(1)(c) of the Act is as follows:

6 - (1) In this Act an “earlier trade mark” means -

(a) -

(b) -

(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.

45. Section 56(1) of the Act is as follows:

56 - (1) References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who-

(a) is a national of a Convention country, or

(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country, whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

46. Article 6*bis* of the Paris Convention (on which s.56 of the national law is based) only appears to apply to trade marks¹⁴. Champagne does not appear to be a well known trade mark because it is not the “*mark of a person*”. I note that article 7*bis* (which covers collective marks) only requires the protection of collective marks following their registration (which in turn depends on whether such marks satisfy the conditions laid down for their protection under national law).

47. Neither of the parties made submissions on this point. If it had been necessary to determine the s.5(3) ground of opposition, I would have invited them to do so. However, in the light of my finding under s.3(4) it does not seem to be necessary to determine the well known mark claim. It is therefore sufficient simply to record this point in case the matter goes further.

¹⁴ See the judgment of the General Court in Case T-255/08, *Eugenia Montero Padillo v OHIM*

Costs

48. The opposition succeeds under s.3(4). The other grounds fail. The opponent having succeeded on one of the grounds would normally be entitled to a contribution towards its costs because costs usually follow the event. However, there was never any prospect of the other grounds succeeding independently of the s.3(4) ground. The facts pleaded in support of the grounds under s.5(4)(a) and s.3(3)(b) were rather farfetched. Further, the bad faith ground was pleaded without sufficient basis for an objection of that nature. Therefore as a sign of the tribunal's disapproval of the type of 'kitchen sink' pleadings used by the opponent in these opposition proceedings, I direct that each side should bear its own costs.

Dated this 9th Day of April 2015

**Allan James
For the Registrar**