

## TRADE MARKS ACT, 1963

### Decision in Hearing under Section 26

IN THE MATTER OF an application for registration of Trade Mark No. 169993 and in the matter of an Opposition thereto.

CANTINE MEZZACORONA S.C.A.R.L. Applicant

MIGUEL TORRES S.A. Opponent

#### **The application**

1. On 3 August, 1995, Cantine Mezzacorona S.c.a.r.l., a cooperative limited liability company organised and existing under the laws of Italy, of Via 4 Novembre 127, 38016 Mezzocorona (Trento), Italy, Manufacturers and Merchants, made application (No. 95/5396) to register the mark shown below as a Trade Mark in Part A of the Register in Class 33 in respect of alcoholic beverages. The application claimed priority of an application for registration filed in Italy on 21 July, 1995.



2. The Application was subsequently advertised as accepted for registration in Part A of the Register under No. 169993 in Journal No. 1792 on 7 August, 1996.
3. Notice of Opposition to the registration of the mark pursuant to Section 26 of the Act was filed on 26 September, 1996 by Miguel Torres S.A., a joint stock company organised and existing under the laws of Spain, of Comercio 22,

08720 Vilafranca del Penedes, Barcelona, Spain. The Applicant filed a counter-statement on 23 December, 1996 and evidence was, in due course, filed by the parties under Rules 37, 38, 39 and 40 of the Trade Mark Rules, 1963.

4. Acting for the Controller, I decided the opposition on 28 July, 2005. The parties were notified on that date that I had decided to dismiss the opposition and to allow the mark to proceed to registration. I now state the grounds of my decision and the materials used in arriving thereat.

### **Notice of Opposition**

5. The Notice of Opposition lists a number of grounds of opposition, which I would summarise as follows:

- (i) The Opponent is an internationally renowned producer and merchant of wines and other alcoholic beverages. It has for many years sold wine bearing the name and trade mark CORONAS. It is the proprietor of Trade Mark Registration No. B87390 in respect of the word CORONAS, registered as of 17 July, 1974 in Class 33 in respect of wines.
- (ii) Use by the Applicant of the trade mark MEZZA CORONA, particularly in combination with the device of a crown, is likely to deceive or cause confusion and lead to the Applicant's wines being passed off as, or mistaken for, those of the Opponent. It will lead to dilution of the Opponent's statutory and common law rights in the word CORONAS. Registration of the Applicant's mark would be contrary to Section 19 of the Act.
- (iii) The Applicant's mark so nearly resembles the Opponent's registered trade mark as to be calculated to deceive or cause confusion having regard to the fact that the goods in respect of which registration is sought are identical with those for which the Opponent's mark is registered and the application should, therefore, be refused under Section 20 of the Act.
- (iv) The Opponent is the *bona fide* proprietor of the word and trade mark CORONA(S) and the Applicant neither uses nor proposes to use the mark put forward for registration as a trade mark for the relevant goods. For

these reasons, registration of the mark in the name of the Applicant would offend against Sections 2 and 25 of the Act.

- (v) By adopting a mark containing the word CORONA and/or the device of a crown, the Applicant is endeavouring to unjustly derive benefit from the notoriety of the Opponent's mark
- (vi) The mark is not qualified for registration under either Section 17 or Section 18 of the Act.
- (vii) Registration of the mark would be contrary to the provisions of the First Council Directive (89/104/EEC) to approximate the laws of the Member States relating to trade marks.

### **Counter-Statement**

6. In its Counter-Statement the Applicant denies each and every one of the assertions contained in the Notice of Opposition, except that it admits that the Opponent is entered on the Register as the proprietor of Trade Mark No. B87390.

### **The evidence**

#### *Rule 37*

7. Evidence submitted by the Opponent under Rule 37 consisted of a Statutory Declaration (and Exhibits MT1–MT3) dated 25 April, 1997 of Angel de la Rubia Pérez, Executive Officer of the Opponent. This evidence contains the following relevant facts:
  - (i) The Opponent uses the trade marks CORONAS and GRAN CORONAS in relation to red wines.
  - (ii) CORONAS wines are sold throughout the State through Woodford Bourne & Co. Ltd., of 78 Broomhill Road, Tallaght, Dublin 24. Sales totalling more than £280,000 were achieved in the period 1987-1996 – *sample invoices from the years 1992-1996 exhibited.*
  - (iii) Approximately £27,000 has been spent on advertising and making the trade mark CORONAS known in the State. In addition, the mark has been

referred to in articles appearing in publications circulating in the State – *sample articles from publications dated between 1982 and 1995 exhibited.*

*Rule 38*

8. Evidence submitted by the Applicant under Rule 38 consisted of a Statutory Declaration (and Exhibits 1-12), dated 4 June, 1998, of Guido Conci, President of the Applicant. I would summarise the relevant elements of his evidence as follows:

- (i) The Applicant has been in existence as a wine producer since 1904, its predecessor in title having originated in the town of Mezzacorona (formerly known as Mezzacorona). Following mergers with a number of other entities, the name Cantine Mezzacorona was adopted in 1980. Since 1985 the Applicant's products have been sold under the trade mark MEZZACORONA.
- (ii) The Applicant's trade mark has been used in many countries throughout the world and has also been registered in several countries despite, in some instances, opposition by the Opponent.
- (iii) The Applicant's trade mark has been used in Ireland since 26 February, 1992. Its products have been promoted through its former agents, Mitchell & Sons, Wine Merchants of 21 Kildare Street, Dublin 2. Promotion of the Applicant's products in the State has also taken place through participation in Italian fairs and Italian-themed events. The product is also advertised in publications circulating in Ireland.
- (iv) Between 1992 and 1997, sales of the Applicant's products in Ireland amounted to approximately £80,000. Turnover worldwide for the period 1987-1997 was more than £75 million.

*Rule 39*

9. Evidence submitted by the Opponent under Rule 39 consisted of a Statutory Declaration (and Exhibits LDJ1-LDJ8) of Luis de Javier, Manager of the Legal Department of the Opponent. In addition to going over matters already aired in the main evidence, such as the use and reputation of the Opponent's trade mark and the status of proceedings between the parties in other jurisdictions, Mr. de

Javier introduces a new plank to the Opponent's case against registration of the Applicant's mark. He says that, by virtue of European Community Regulations governing the common organisation of the viticulture market, the name MEZZA CORONA or MEZZACORONA may not be used as a trade mark to identify goods in Class 33. He refers, in particular, to Council Regulations Nos. 822/87, 2392/89 and 3201/90 and he outlines in some detail the basis for his contention that the use of the name in question is prohibited by the relevant instruments.

*Rule 40*

10. Evidence submitted by the Applicant under Rule 40 consisted of –

- a Statutory Declaration dated 5 June, 2001, of Armando Botteon, an Italian journalist and author, and
- a Statutory Declaration (and Exhibits PAMP1-PAMP7) dated 26 July, 2001, of Pierpaolo A M E Pacitti, a Registered Trade Mark Agent in the United Kingdom.

11. Mr. Botteon says that he is an author of publications and studies on wine and foodstuff legislation and the founder of the "Centre of Wine and Food Legislation Research". He denies Mr. de Javier's assertion on behalf of the Opponent with regard to the alleged prohibition on the use of the Applicant's trade mark in relation to wines and he gives his reasons for that denial. He also offers his opinion as to the likely perception of consumers outside of Italy of the name and trade mark MezzaCorona.

12. Mr. Pacitti says that he had the conduct of the corresponding proceedings between the parties before the United Kingdom Patents Office and he gives evidence as to the current status of proceedings between them in a number of foreign jurisdictions. He also makes a detailed rebuttal of the assertions of Mr. de Javier as to the permissibility of the use of the Applicant's mark on wines and makes a number of criticisms of the Opponent's evidence as to its use of its trade mark.

### **The issues**

13. Grounds of opposition have been raised in the Notice of Opposition against the application under Sections 2 and 25 and Sections 17, 18, 19 and 20 of the Act. It has also been alleged that the adoption by the Applicant of the mark propounded for registration was not *bona fide* and so, while it is not specifically mentioned in the Notice of Opposition, the question of discretionary refusal must also be considered. While the Notice of Opposition also contained a claim that registration would be contrary to Council Directive No. 89/104, the fact is that this case does not fall to be determined under legislation giving effect to that Directive and an objection based on it cannot, therefore, apply.

### **Sections 2 and 25**

14. As regards the objection under Sections 2 and 25, this is based on the assertion that the Opponent, and not the Applicant, is the *bona fide* proprietor of the word and trade mark CORONA(S), either in single or plural form, as applied to wines and also on the basis that the Applicant did not use or propose to use the mark applied for as a trade mark for the relevant goods as of the date of filing of the application. The first of these assertions is not, in my opinion, a valid basis on which to oppose the present application. The mark in suit is not the word CORONA or CORONAS and the Opponent's claimed proprietorship of that word as a trade mark for wines cannot, of itself, act to prohibit the registration of a different word as a trade mark in the name of the Applicant. As to the claim that the Applicant does not use or propose to use the mark put forward for registration, the Opponent has offered no evidence in support of that assertion while the Applicant has given evidence of having first used the mark in 1985 and also of having used it in the State. For these reasons, I find that the objection under Sections 2 and 25 of the Act is not made out, either as regards the Applicant's proprietorship of the mark applied for or its use of that mark as a trade mark. I dismiss the opposition under Sections 2 and 25 accordingly.

### **Sections 17 and 18**

15. The Opponent claims that the Applicant's mark is neither inherently adapted to distinguish its goods nor inherently capable of doing so. On the face of it, that claim does not appear to be well founded and nor has the Opponent offered any

argument in support of it. The mark consists of a word, which bears no relation to the relevant goods, in combination with a distinctive device that also has no connection with the goods. It is quite obviously a trade mark which, by its nature, would serve to distinguish the Applicant's goods from those having a different origin and it certainly has the capacity to do so. I therefore dismiss the opposition under Sections 17 and 18 of the Act as unsubstantiated.

### ***Section 19***

16. Section 19 of the Act reads as follows:

*“It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of law, or would be contrary to law or morality, or any scandalous design.”*

17. The Notice of Opposition in this case contained the usual claims with regard to the likelihood of deception and confusion arising from the use of the Applicant's mark in light of the Opponent's claimed use of, and reputation under, its allegedly similar trade mark. In its evidence under Rule 39, the Opponent appears to have expanded the scope of its opposition under this Section to include a claim that the registration of the Applicant's mark would be contrary to law, namely European Community Regulations governing the organisation of the viticulture market. Although they fall under the same Section of the Act, these are separate and discrete objections and I look at each in turn below.

### ***Contrary to law***

18. The first observation that I would make on the Opponent's objection to registration of the Applicant's mark based on the provisions of European Community Regulations governing the organisation of the viticulture market is that that objection is not in any way particularised in the Notice of Opposition and was, in fact, only disclosed in the Opponent's evidence under Rule 39, i.e., after the filing of the main evidence in the proceedings under Rules 37 and 38. By virtue of paragraph (2) of Rule 39, evidence under the Rule must be confined to matters strictly in reply to the Applicant's evidence under Rule 38. It is clear,

therefore, that the admissibility of the objection raised in the Opponent's evidence under Rule 39 is open to challenge on the basis that the Applicant was not given proper notice of it at the appropriate time and that no application was subsequently made to amend the Notice of Opposition so as to specifically include it. In the event, the Applicant did not raise any challenge against the introduction of this ground of opposition but chose, instead, to make a substantive rebuttal of it. Notwithstanding the Applicant's apparent acquiescence, I think it behoves me to consider, as a preliminary matter, the question of whether this element of the opposition under Section 19 is admissible. That is particularly so in circumstances such as those that obtain here, in which I am asked to decide the opposition on the basis of the evidence filed and without the benefit of hearing oral argument<sup>1</sup>.

19. By its nature, this objection falls under Section 19 of the Act insofar as it is based on the claim that the registration of the Applicant's mark would be contrary to law, in this case, provisions of Council Regulations that have direct effect in the State and were enacted prior to the date of filing of the present application. At paragraph 8 of the Notice of Opposition, it is asserted that "*registration of the mark applied for is contrary to the provisions of Section 19 of the Trade Marks Act, 1963*". It can be argued that the inclusion of that ground of opposition in the Notice of Opposition provided the Opponent with a basis for its subsequent attack on the application on the grounds that it is contrary to the provisions of European Community law. As I have already noted, however, this aspect of the objection under Section 19 is not particularised in the Notice of Opposition and was not disclosed to the Applicant prior to the latter's filing of a Counter-Statement in the proceedings. In addition, the means by which this aspect of the Section 19 objection has been introduced by the Opponent, i.e., in the course of its evidence in reply under Rule 39, is invalid. The Rule does not provide a basis for bringing forward new material not previously in evidence in the proceedings, or adverted to in the earlier evidence, and nor does the introduction of a new objection constitute *evidence*, in the correct sense of the word, let alone evidence in reply. For these reasons, I have decided that the Opponent's objection to registration under Section

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<sup>1</sup> The parties were afforded the opportunity of being heard in accordance with Section 26(5) and Rule 42 but each indicated that it did not wish to be heard.



19 of the Act based on its claim that registration of the Applicant's mark would be contrary to European Community law is not admissible and I dismiss it accordingly. I note, in passing, that this particular ground of objection was canvassed in proceedings between the parties before the Patents Office in the United Kingdom and that the Registrar there rejected it. That decision was upheld on appeal to the High Court<sup>2</sup> and again on appeal to the Court of Appeal<sup>3</sup>.

### ***Deception and confusion***

20. The other aspect of the Opponent's objection to registration under Section 19 of the Act –the aspect that was fully particularised in the Notice of Opposition – concerns the use in the State by the Opponent of its trade mark CORONAS in relation to wine prior to the date of filing of the present application (the relevant date) and the claim that, as a consequence of that use, use by the Applicant of the mark put forward for registration would be likely to deceive or cause confusion. This is the traditional objection raised under Section 19 and the test for it is that set down by Evershed J in the *Smith Hayden & Co. Ltd.* application [1946] RPC 97, as adapted by Lord Upjohn in the *Bali* case [1969] RPC 472. In the present case, that test may be expressed as follows:

*Having regard to the use by the Opponent of the name CORONAS, is the Hearing Officer satisfied that the mark MEZZACORONA (and device), if used in a normal and fair manner in connection with alcoholic beverages, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?*

### **Opponent's use of its mark**

21. The first question to be decided is whether the Opponent used the word CORONAS in the State prior to the relevant date. The persons who gave evidence for the Applicant disputed this point and claimed that the Opponent's evidence does not establish use on the scale claimed by the Opponent. I do not agree. I am satisfied that the Opponent's evidence proves conclusively that there were sales of CORONAS wine here for at least three years prior to the relevant

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<sup>2</sup> Judgement dated 26 March, 2003 of Neuberger J

<sup>3</sup> Judgement dated 19 December, 2003

date. Looked at in its totality, I think the evidence strongly suggests that the name CORONAS was known here for several years prior to that and that it would have come to the notice of many thousands of consumers. The Opponent has, therefore, discharged the onus on it of showing use and knowledge of its mark as of the relevant date, such as is required to ground an objection under Section 19.

#### The respective goods

22. It is now necessary to consider whether use by the Applicant of the mark applied for in relation to alcoholic beverages would, on the relevant date, have been likely to cause deception or confusion. Clearly, if confusion were likely at all, the greatest risk of it would arise from the use of the Applicant's mark in relation to wines, as opposed to other alcoholic beverages. In any event, the evidence has shown that the Applicant uses its mark on wine and it is only sensible to consider the likelihood of confusion in the context of that use. If I do not find a likelihood of confusion in that scenario, then I could not do so in respect of the use of the Applicant's mark on any other alcoholic beverages in Class 33. For the purposes of assessing the likelihood of confusion, I therefore regard the respective goods as identical.

#### The respective marks

23. As to the respective marks, the only common element between them is the word CORONA, which does not, in fact, appear as a stand-alone element in either mark. Apart from that, the marks are quite different. The most prominent element of the Applicant's mark is the word MEZZACORONA, which is dissimilar to the Opponent's mark CORONAS both in appearance and pronunciation. Also, the Applicant's mark contains a figurative element that is not insignificant in terms of its overall appearance while the Opponent's mark is a word only. In terms of meaning, the Opponent's mark is the Spanish word for "crowns" and the Applicant's contains the Italian word for "half-crown". From a conceptual aspect, there is, therefore, some similarity between the marks but I would not regard it as particularly significant because I think that most consumers in this country would simply perceive the respective words as foreign words and would not proceed, as a subconscious reaction, to translate them and perceive their

meaning. On an overall assessment, I would say that the marks are largely but not entirely dissimilar.

#### Likelihood of confusion

24. It is well established that the likelihood of confusion as between goods bearing similar trade marks must be assessed in a practical, rather than a theoretical, way. In the *Application of The Pianotist Co. Ltd.* [1906] 23 RPC 774, Parker J advised consideration, not only of the similarity of the respective goods and marks (the theoretical assessment), but also of the nature and kind of customer of the relevant goods and the surrounding circumstances of the trade in them (the practical assessment). In many cases, a theoretical possibility of confusion may be made out based on similarities between the respective goods and marks, but that possibility may evaporate when placed in the context of the practical realities of ordinary trade. In my view, this is such a case. In theory, it can be argued that, if identical goods are sold under trade marks, each of which contains as an element a foreign word having no connection with the goods and therefore being a distinctive trade mark, then there must be a consequent likelihood of confusion. In practical terms, however, I can see no such likelihood in this case and that is really because of the nature of the goods, the customers and the circumstances of the trade.

25. Wine is mostly sold through off-licences and supermarkets on a self-service basis, i.e., the stock is displayed on open shelves from which the customer makes his selection. It is often grouped by country of origin and within each “country section” different products may be grouped and displayed according to type and grape variety. The manner in which wine is displayed for sale to the consumer follows from the factors that the average consumer takes into consideration in choosing between the various brands on view – country of origin (old world or new), type (red, white, rosé), grape variety (merlot, pinot, Riesling etc.), alcohol content and price. It must also be recalled that wine may only be legally sold to persons over 18 years of age and the average consumer must therefore be assumed to be sufficiently mature as to be capable of making a considered choice. While consumers may develop preferences for particular brands or may sometimes make choices based on word-of-mouth recommendations, I doubt that brand name alone

would normally be a deciding factor in the average consumer's selection. Of course, the selection and purchase of a bottle of wine is not a significant commercial transaction to which the average consumer will pay particular attention but nor is it something that is done solely, or even mainly, by reference to the different brand names on offer. The other factors that I have mentioned usually come into play and the practical effect of the consideration of those factors by the consumer is that the likelihood of confusion between similarly named products is greatly diminished. In any event, I have already noted that there are significant differences between the respective trade marks of the Applicant and the Opponent in this case and I think the likelihood of direct confusion between them is really negligible.

26. I have also considered the likelihood of indirect confusion, whereby the average consumer might make an association in his mind between the MEZZACORONA brand and the proprietor of the CORONAS brand. The evidence shows that the Opponent markets wine under the CORONAS and GRAN CORONAS brands and it might be argued that MEZZACORONA wine could be perceived as another of the CORONAS "stable" of brands. For essentially the same reasons that I find direct confusion unlikely, I think that this form of association of the Applicant's product with the Opponent cannot reasonably be assumed. The Opponent is a Spanish undertaking, which the consumer who is familiar with its CORONAS wines may be assumed to know. While the Opponent has given evidence of having extended its operations to Chile, I do not believe that the average consumer of wine would be liable to think that an Italian wine was produced or put on the market under the control of a Spanish undertaking simply because of a passing resemblance between the respective brand names. Because geographic origin is such an essential characteristic of wine, I do not think that average consumer would be caused to seriously wonder whether the Applicant's product might in some way be connected with the Opponent.

27. Having regard, therefore, to the nature of the goods at issue and the circumstances of the trade in those goods, I have decided that there would not, at the relevant date, have been any likelihood of confusion arising if the Applicant had used the mark propounded for registration as a trade mark for wine. That being the case,

the opposition under Section 19 based on the likelihood of deception or confusion cannot be upheld and I dismiss it accordingly.

***Section 20***

28. Section 20 of the Act prohibits the registration of any trade mark that is identical with a trade mark already on the Register in respect of the same goods or description of goods or that so nearly resembles such a trade mark as to be likely to deceive or cause confusion. In the present case, the Opponent relies on its earlier registration (No. B87390) of the trade mark CORONAS for its opposition under this Section. I have, of course, already reached a decision on the likelihood of confusion between the mark applied for and that trade mark as part of my consideration of the opposition under Section 19 and I have found that there is no such likelihood. It follows that the opposition under Section 20 must also fail.

***Discretionary refusal***

29. In addition to the mandatory grounds of refusal contained in Sections 19 and 20 of the Act, Section 25(2) provides for refusal at the Controller's discretion and may be the basis for a refusal in the case, for example, of an application made in bad faith. The Opponent has alleged that the Applicant sought, by the adoption of a trade mark containing the word CORONA and/or a device resembling a crown, to unjustly derive benefit from the notoriety of its (the Opponent's) trade mark. In view, however, of the Applicant's explanation of its adoption of its trade mark and in the absence of any evidence of impropriety in its adoption or subsequent use of it, I am not satisfied that there is any basis for the Opponent's claim or for refusal of the application in exercise of the Controller's discretion.

**Conclusion**

30. The opposition has failed on all grounds and the application may proceed to registration.

Tim Cleary

Acting for the Controller

16 September, 2005