

# It's a 'no' to Nosecco trade mark application

By Merlene Engelbrecht 30 Sep 2020

According to Herman Melville, American writer of the classic novel Moby Dick, "It is better to fail in originality than to succeed in imitation". Mellville's words ring true today, especially for trade mark owners who appreciate that, in the world of intellectual property, imitation is not the sincerest form of flattery.



Credit: Pexels

A case in point is the UK Intellectual Property Office's (UKIPO) recent decision to refuse French company Les Grands Chais de France's (LGCF) application for registration for the trade mark 'Nosecco' for non-alcoholic wines.

The UKIPO held that the name Nosecco would evoke the image of the increasingly popular geographical indication (GI) Prosecco in consumers' minds. As a Protected Designation of Origin (PDO) in Europe, the GI Prosecco may only be used for sparkling wines that meet specific requirements.

# **Protected Designations of Origin**

Gls protect the name of a product that comes from a specific region, follows a particular traditional production process, and may have a certain quality, reputation or other characteristics that are essentially due to its geographical origin.

In this regard, the European system of Protected Designation of Origin (PDO) protects the name of an agricultural product, like food or wine, as 'geographical indications' – provided that every part of production, processing and preparation takes place in that region.

For wines, the grapes must come exclusively from the geographical area where the wine is made and, in the case of the well-known PDO Prosecco, all production must happen in the Italian town of Prosecco. Champagne, Kalamata olives and Prosciutto di Parma (ham) are further examples of well-known registered PDOs.

### The consumer's impression

Would the Nosecco mark be confused with, associated with or evoke the Prosecco PDO in the minds of consumers? Considering that the names are visually and aurally almost identical, and that wine and non-alcoholic beverages may be similar from a trade mark perspective, this is likely.

Prosecco is a well-known GI (first recorded in a historical document as far back as 1381) and a consumer who encounters the Nosecco mark may think that it is comparable or associated with Prosecco. Nosecco is likely to evoke the impression in a consumer's mind that it is an alcohol-free version of Prosecco, originating from the same source, and/or that it complies with the requirements relating to this PDO.

In its arguments, LGCF claimed that the inspiration for "Nosecco" came from the combination of "no" as a negative and "secco" meaning dry, and that "Nosecco" is a play on words, showing that the goods are "not dry". But the "inspiration" of the trade mark applicant or beverage producer - a secondary meaning in this case - is not the most importation consideration when determining the likelihood of confusion.



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#### A PDO vs a trade mark

A trade mark must be distinctive. It is generally not capable of distinguishing if it consists exclusively of a name that describes the geographical origin of the goods, whereas a PDO can do just that: describe the geographical area in which a specific product is made.

The focus of the protection granted to PDOs is to protect the traditional quality and reputation of the PDO; the legitimate interests of producers; and a fair return for farmers and producers for the qualities of a given product in a specific geographical area.

In contrast, while trade marks also function as a badge of origin, they are aimed at distinguishing the goods or services of the trade mark owner from similar goods or services and generally do not indicate geographical origin.

Trade mark infringement generally occurs where there is a likelihood of confusion between two trade marks. When comparing trade marks, the 'likelihood of confusion test' takes into account the visual, aural or conceptual similarity of the marks in question, based on the overall impression given by the marks, and their distinctive and dominant components.

A PDO, on the other hand, can be evoked even where there is no likelihood of confusion.

This is to some extent similar to the protection granted to well-known registered trade marks in South Africa (under the Trade Marks Act). The use or registration of a mark that is identical or similar to the well-known trade mark is prohibited, if such use would be likely to take unfair advantage of, or be detrimental to, the distinctive character or repute of the

registered trade mark - notwithstanding the absence of deception or confusion.



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#### South Africa's commitments

In 2016, the European Union (EU) signed an Economic Partnership Agreement (EPA) with the Southern African Development Community (SADC), comprising Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland. The EPA includes a bilateral protocol between the EU and South Africa on the protection of GIs and trade in wines and spirits.

According to the EPA protocol, the EU will protect South African names such as Rooibos, Honeybush, Karoo Meat of Origin and numerous geographical names associated with the wine industry against, among other things, any direct or indirect commercial use of a protected name; and any misuse, imitation or evocation, including use in connection with an indication of the true origin of the product in question.

In return, South Africa undertook to protect more than 250 EU GIs spread over food, wines and spirits, for example, Champagne from France, and Gorgonzola cheese from Italy.

In this regard, specific protection for various European Gls, including the name Champagne, has also been brought about in South Africa by a notice in terms of the Liquor Products Act, which prohibits the unlawful use of various Gls of the European Union in connection with the sale of liquor products in South Africa.

In order for a GI to be lawfully used in connection with a liquor product, the liquor product should originate from the particular country indicated in the prohibition.

The prohibition not only covers any direct or indirect commercial use of such a GI in so far as such use exploits the reputation of that GI; but also includes any misuse, imitation or evocation of such a GI, including use in conjunction with an indication of the true origin of the liquor product in question. use in translation, transcription or transliteration, and use together with words such as "kind", "type", "style", "imitation", "method", or similar words or expressions.

The prohibition further extends to any other false or misleading indication as to the provenance, origin, nature or essential qualities of that liquor product and any other practice liable to mislead the consumer as to the true origin of that liquor product.



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## Important considerations for producers

Food and drink producers should be aware of PDOs when naming and marketing their products. As we have seen in this case, even if there is no likelihood of confusion, a product name must steer clear of evoking the PDO in the mind of the consumer.

However commercially enticing it may seem to leverage the reputation of various GIs (or any other well-known trade mark, for that matter), it is preferable not to misuse, imitate or evoke these marks, but to come up with an original distinctive mark instead.

LGFC is currently appealing the tribunal's decision in the High Court.

### ABOUT THE AUTHOR

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