

European Union Intellectual Property Office

Grand Board of Appeal

Alicante, Spain

RE: Case R 964/2020-4, *EUROMADI IBERICA, S.A./ Zorka Gerdzhikova*

April 1, 2021

Amicus Brief (Third Party Observations) – International Trademark Association

The International Trademark Association (“**INTA**”) has prepared this brief in relation to case Case R 964/2020-4, *EUROMADI IBERICA, S.A./ Zorka Gerdzhikova*, pending before the Grand Board of Appeal of the European Union Intellectual Property Office (the “**Grand Board**”).

Article 37(6) of Commission Delegated Regulation (EU) 2018/625 of 5 March 2018 supplementing Regulation (EU) 2017/1001 of the European Parliament and of the Council on the European Union Trade Mark, and repealing Delegated Regulation (EU) 2017/1430 (“**EUTMDR**”) allows for intervention of interested groups or bodies in appeal proceedings before the European Union Intellectual Property Office (EUIPO) referred to the Grand Board.

A. About INTA

INTA is a global association of brand owners and professionals dedicated to supporting trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation. Members include nearly 6,500 organizations, representing more than 34,350 individuals (trademark owners, professionals, and academics) from 185 countries, who benefit from the Association’s global trademark resources, policy development, education and training, and international network. Founded in 1878, INTA is headquartered in New York City, with offices in Brussels, Santiago, Beijing, Singapore, and Washington, D.C., and a representative in New Delhi. For more information, visit www.inta.org.

An important objective of INTA is to protect the interests of the public by the proper use of trademarks. In this regard, INTA strives to advance the development of trademark and related IP and unfair competition laws and treaties throughout the world, based on the global public interest in avoiding deception and confusion. INTA has been an official non-governmental observer to the World Intellectual Property Organization (“WIPO”) since 1979 and actively participates in all trademark related WIPO proposals. INTA has influenced WIPO trademark initiatives such as the Trademark Law Treaty, and also is active in other international arenas, including the Asia Pacific Economic Cooperation Forum (“APEC”), the Association of Southeast Asia Nations (“ASEAN”), the European Union (EU), and the World Trade Organization (“WTO”).

The present brief was drafted by INTA independently of the parties in the case at issue.

B. INTA's interest in the case

INTA is not a party in the case but believes that the case is significant to the development of trademark law and presents itself as an *amicus curiae* ("friend of the court") in the matters raised therein, as it has done in the past (see **Annex A** listing previous amicus interventions by INTA before European courts and the Grand Board).

Through its International Amicus Committee, INTA provides expertise concerning trademark and other IP-related laws to courts and trademark offices around the world through the submission of *amicus curiae* briefs or similar filings. Through these kinds of filings, INTA takes advantage of procedures that allow an independent third party to a proceeding to voluntarily offer an opinion on a legal matter, such as the proper interpretation or application of the law, or an explanation for why certain policies are superior.

The purpose of INTA's intervention in such cases is to ensure that the court or tribunal is fully informed about the relevant issues that may impact the law in a given jurisdiction. Unlike the parties in litigations, who typically focus on the specific facts of a case and argue for a particular outcome, INTA plays a neutral role, addressing only the legal issues. INTA hereby acts in the interest of the represented manufacturers, producers, suppliers of services, traders or consumers, who are affected by the various issues of concern in this case regarding the analysis of the **(dis)similarity** between Nice class 32 goods (**non-alcoholic beverages, beers**) versus class 33 goods (**alcoholic beverages, except beers; alcoholic preparations for making beverages**), in the context of the analysis of risk of likelihood of confusion, and thus by the result of this case as required by Art 37 (6) EUTMDR.

INTA hopes that this submission may be of assistance to the Grand Board.

C. Background and procedural overview

The matter concerns the opposition between the potentially conflicting trademarks (i) EU Trade Mark (EUTM) 'ZORAYA' applied for Class 32 – *Non-alcoholic beverages; flavoured carbonated beverages; waters; vitamin enriched sparkling water [beverages]* and (ii) the prior mark 'VIÑA ZORAYA' registered for Class 33 – *Wines, spirits and liqueurs*).

In the first instance of the Opposition Division of EUIPO rejected the opposition.

In the appeal against the opposition decision, by its Interim Decision of 25 November 2020, the Fourth Board of Appeal ordered that the case be **referred to the Grand Board** to avoid any further divergent decisions, and taking into account the grounds for the decisions in the earlier judgments of the General Court of the Court of Justice of the European Union ("General Court"), as well as the decision of the Grand Board, there is a need for further refinement of the case-law relating to assessing the **degree of similarity of non-alcoholic beverages and sparkling water**, on the one hand, and **wines, spirits and liqueurs**, on the other hand.

INTA submits that the assumed dissimilarity of the goods involved as reflected in such previous decisions of the Boards of Appeal of EUIPO and of the General Court may no longer be consistent with market practice and the perception of the relevant public of the goods involved for which reason further guidance will be beneficial for the practice of trademark law.

The EUIPO Decision

The contested trademark is EUTM application '**ZORAYA**' no. 018 015 469 for the following goods: Class 32 – *Non-alcoholic beverages; flavoured carbonated beverages; waters; vitamin enriched sparkling water [beverages]* in the name of the Bulgarian individual Ms. Zorka Gerdzhikova.

It was opposed by Spanish based EUROMADI IBERICA, S.A. on the basis of its prior Spanish national trademark '**VIÑA ZORAYA**' registered on 6 June 1983, for: Class 33 – *Wines, spirits and liqueurs*.

By decision of 25 March 2020 the Opposition Division of EUIPO rejected the opposition. The Opposition Division held that **the two sets of goods were dissimilar**, and there could therefore be no likelihood of confusion within the meaning of Article 8(1)(b) EUTMR. Its findings relied in particular on the earlier decision of EUIPO's Grand Board of 21 January 2019, R 1720/2017-G, (*Iceberg*). In that decision the Grand Board found that 'mineral water and aerated water; non-alcoholic beverages; fruit beverages and fruit juices' are dissimilar to 'vodka'.

In the appeal against the opposition decision the Board of Appeal considered, in its Interim Decision, that, over the years, **there have been diverging decisions** by the General Court, the Grand Board and Boards of Appeal of EUIPO, which cannot all be reconciled with the *Iceberg* decision (relating to 'vodka'). The Board of Appeal cited the following earlier decisions in this respect:

- The General Court's judgment of 5 October 2011, T-421/10, *Rosalía de Castro*, EU:T:2011:565, § 31 f, where the Court held that there was **little similarity** between 'beers; mineral and aerated waters and other non-alcoholic drinks' and 'alcoholic drinks – wines (except beers)';
- The General Court's judgment of 4 October 2018, T-150/17, *FLÜGEL*, EU:T:2018:641, § 73, in which the Court appears to confirm the view taken by the Fifth Board of Appeal in the decision of 17 November 2016, R 282/2015-5, *Flügel / ... Verleiht Flügel* that 'beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for the preparation of drinks' are **similar** to 'energy drinks'. At the same time, the Court held that there is **no similarity** between 'energy drinks' and 'alcoholic beverages (except beers); alcoholic essences; alcoholic extracts; fruits extracts (alcoholic)';
- The Grand Board's decision of 21 January 2019, R 1720/2017-G, *Iceberg*, where the Grand Board found that 'mineral water and aerated water; non-alcoholic beverages; fruit beverages and fruit juices' are **dissimilar** to 'vodka'.
- The Board of Appeal's decision of 4 February 2019, R 257/2018-2, *Tradición cz, s.l./ Rivero cz*, in which the Second Board of Appeal found that there was a **similarity** between 'beers' and 'musts' on the one hand, and 'alcoholic beverages (except beers)' on the other hand, but found that the latter were **not similar** to 'mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for the preparation of drinks' in Class 32.
- The decision of 27 May 2019, R 1526/2017-1, *AQUARTUS/Aquintus*, where the First Board of Appeal found that there was a **similarity** between 'preparations for making

alcoholic beverages’ and ‘mineral and aerated waters’, but considered the latter goods to be **dissimilar** to ‘spirits [beverages]; alcoholic beverages (except beers)’.

- By decision of 20 January 2020, R 2524/2018-4, *chic ÁGUA ALCALINA 9,5 PH/Chic Barcelona*, the Fourth Board of Appeal found that there was a **degree of similarity** between ‘non-alcoholic beverages; bottled drinking water; mineral water (non-medicated); mineral water [beverages].’ and ‘alcoholic beverages (except beer)’.
- The Fifth Board of Appeal found, by decision of 1 September 2020, R 519/2019-5, *Montecelio/Montecelli*, that there was **no similarity** between ‘mineral waters and other non-alcoholic drinks; syrups and other preparations for making beverages, non-alcoholic beverages flavored with tea, fruit-based soft drinks flavored with tea, water-based beverages containing tea extracts, non-alcoholic soda beverages flavored with tea’, on the one hand, and ‘Italian wines; spirits’, on the other hand.

In view of the above cited diverging decisions over the past years, such as the ones cited above, which cannot all be reconciled with the *Iceberg* decision (relating to ‘vodka’) the 4th Board of Appeal decided in its Interim Decision that, to avoid any further divergent decisions, and taking into account the grounds for the decisions in the earlier judgments of the General Court, as well as the decision of the Grand Board and Boards of Appeal, **there is a need for further refinement of the case-law** relating to the assessment of the **degree of similarity** of non-alcoholic beverages and sparkling water on the one hand, and wines, spirits and liqueurs on the other hand. For these reasons the 4th Board of Appeal ordered that the case be referred to the Grand Board.

Legal Framework

Pursuant to Article 8(1)(b) EUTMR :

1. a EUTM shall not be registered or, if registered, shall be liable to be declared invalid: [...]

(b) if because of its identity with, or similarity to, the earlier trade mark and **the identity or similarity of the goods** or services covered by the trade marks, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

For the purposes of applying Article 8(1)(b) EUTMR, a likelihood of confusion presupposes both that the marks at issue are identical or similar and that the goods or services which they cover are identical or similar. Those conditions are cumulative (see, to that effect, judgment of the General Court of 22 January 2009, *Commercy v OHIM — easyGroup IP Licensing (easyHotel)*, T-316/07, EU:T:2009:14).

According to the case-law, in the global assessment of the likelihood of confusion, account should be taken of the average consumer of the category of goods or services concerned, who is reasonably well informed and reasonably observant and circumspect. The average consumer’s level of attention is likely to vary according to the category of goods or services in question (see, to that effect, judgment of the General Court 13 February 2007, *Mundipharma v OHIM — Altana Pharma (RESPICUR)*, T-256/04, EU:T:2007:46).

According to the case-law, in **assessing the similarity** of the goods or services at issue, **all the relevant factors relating to those goods or services should be taken into account.**

Those factors include, **in particular**, their **nature**, their **intended purpose**, their **method of use** and whether they are **in competition** with each other or are **complementary** (see the judgment of the Court of Justice of the European Union (CJEU) of 29 September 1998, Case C-39/97, *Canon/Cannon*). Other factors may be taken into account, such as the **distribution channels** of the goods concerned (see, to that effect, the General Court's judgment of 11 July 2007, *El Corte Inglés v OHIM — Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)*, T-443/05, EU:T:2007:219 and usual origin (producer/provider) of the goods and the relevant public (which in the case at hand shall be the public at large).

In that regard, it must be borne in mind that goods and services can be considered **to be complementary** where there is a **close connection between them**, in the sense that **one is indispensable or important for the use of the other**, with the result that consumers may think that the same undertaking is responsible for manufacturing those goods and for providing those services (see, to that effect, the General Court's judgment of 19 December 2019, Case T-729/18, *Lloyd/Lloyd's* ECLI:EU:T:2019:889, citing judgment of the General Court 16 October 2013, *El Corte Inglés v OHIM — Sohawon (fRee YOUR STYLE)*, T-282/12, not published, EU:T:2013:53).

Thus, for the purposes of assessing whether goods and services are **complementary**, the **relevant public's perception** of the **importance** of a product or service for the use of another product or service should, ultimately, be taken into account (see, to that effect, the General Court's judgment of 19 March 2019, case T-133/18, *Lumiqs/LUMIX*, ECLI:EU:T:2019:169, citing its judgment of 14 May 2013, *Sanco v OHIM — Marsalman (Representation of a chicken)*, T-249/11, EU:T:2013:238).

In addition, it must be observed that, pursuant to Article 33 (7) EUTMR, the **classification of goods and services** under the Nice Agreement is **intended to serve exclusively administrative purposes**. Goods and services may therefore not be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification, and may not be regarded as being dissimilar on the ground that they appear in different classes under that classification (as confirmed in the General Court's judgment of 19 March 2019, case T-133/18, *Lumiqs/LUMIX*, ECLI:EU:T:2019:169, citing the General Court's judgment of 6 June 2018, *Uponor Innovation v EUIPO — Swep International (SMATRIX)*, T-264/17, not published, EU:T:2018:329).

Moreover, the comparison of the goods required by Article 8(1)(b) EUTMR must relate to the **description, as it appears in the registration document**, of the goods covered by the earlier mark relied on in opposition and **not to the goods for which that mark is actually used** unless, following a request for proof of genuine use of the earlier mark, in accordance with Article 42(2) and (3) of Regulation No 207/2009 (now Article 47(2) and (3) of Regulation 2017/1001), such proof is furnished only in respect of some of the goods or services for which the earlier mark is registered (see judgment of the General Court of 12 December

2018, *Vitromed v EUIPO — Vitromed Healthcare (VITROMED Germany)*, T-821/17, not published, EU:T:2018:912, paragraph 27 and the case-law cited.

The Explanatory Notes of the Nice Classification

According to the Class 32 and 33 Explanatory Notes of the Nice Classification - 11 Edition, Version 2020 (see: <https://www.wipo.int/classifications/nice/nclpub/en/fr/pdf-download.pdf?lang=en&tab=&viewMode=flat&dateInForce=20200101&classNumber=33>):

- “Class 32 includes mainly non-alcoholic beverages, as well as beer. This Class includes, in particular: - de-alcoholised beverages; - soft drinks; - rice-based and soya-based beverages, other than milk substitutes; - energy drinks, isotonic beverages, protein-enriched sports beverages; - non-alcoholic essences and fruit extracts for making beverages. This Class does not include, in particular: - flavourings for beverages being essential oils (Cl. 3) or other than essential oils (Cl. 30); - dietetic beverages adapted for medical purposes (Cl. 5); - milk beverages with milk predominating, milk shakes (Cl. 29); - milk substitutes, for example, almond milk, coconut milk, peanut milk, rice milk, soya milk (Cl. 29); - lemon juice for culinary purposes, tomato juice for cooking (Cl. 29); - beverages with coffee, cocoa, chocolate or tea base (Cl. 30); - beverages for pets (Cl. 31); - alcoholic beverages, except beer (Cl. 33)”.

- “Class 33 includes mainly alcoholic beverages, essences and extracts. This Class includes, in particular: - wines, fortified wines; - alcoholic cider, perry; - spirits, liqueurs; - alcoholic essences, alcoholic fruit extracts, bitters. This Class does not include, in particular: - medicinal beverages (Cl. 5); - de-alcoholised beverages (Cl. 32); - beers (Cl. 32); - non-alcoholic mixers used to make alcoholic beverages, for example, soft drinks, soda water (Cl. 32)”.

From the above it follows that goods falling within classes 32 and 33 share common characteristics not only among the two of them but also with classes 3, 5, 29, 30, 31, thereby creating the need for the Explanatory Notes to clarify what the classification should be in each case. Such classification is not, per the above, a criterion to determine similarity/dissimilarity.

As explained by WIPO, “The only alcoholic beverage in class 32 is beer. Beers have been in this class since the first edition of the Nice Classification. Subsequent proposals aimed at transferring beers from class 32 to class 33 have always been rejected by the Committee of Experts of the Nice Union. At the time the Classification was established, beers were included in Class 32 because they were often commercialized by the same companies that produced and/or sold soft drinks. They were also considered as an alternative to soft drinks. Generally, beer has lower alcohol content than most beverages in class 33 but it must be remembered that the classification of beer in Class 32 was not decided on the basis of its low alcohol content but rather taking into account channels of commerce (at the time). Therefore, with the exception of beers, all alcoholic beverages, even those with a low alcohol content, must be classified in class 33” (at

https://www.wipo.int/classifications/nice/nclpub/en/fr/20170101/information_files/class/32/?lang=en).

Analysis of the Canon factors

The factors to be taken into account for assessing the similarity of goods, are, per the above CJEU case law, indicative. They shall each be analyzed below in relation to alcoholic and non-alcoholic beverages:

- **nature:**

The physical nature and composition of the goods should be taken into account (Ilana Fhima/Dev S. Gangjee, *The Confusion Test in European Trademark Law*, Oxford University Press, 2019, p. 108). According to the EUIPO Guidelines for Examination in the Office, Final Version 1.0 01/03/2021 (“EUIPO Guidelines”), in Part C Opposition, Section 2, Double identity and likelihood of confusion - Chapter 2 Comparison of goods and services, p. 784, the nature of the goods at issue is characterized by the absence and presence of alcohol (“[...] *the nature, intended purpose and use of those goods differ, based on the presence of, or absence of alcohol in their composition*”). To that end see also the decisions of the Grand Board, in R 1720/2017-G, *supra*, p. 60 and C-416/04 P, *The Sunrider Corp. v. OHIM, VITAFRUIT*, par. 86, where the CJEU repeated the General Court’s finding that the difference in ingredients is not decisive when the goods are intended to meet the same needs: “*the fact that their ingredients differ does not affect the finding that they are interchangeable because they are intended to meet an identical need*”. This is confirmed also by the General Court which found that alcoholic beverages are different to one another, even though they all contain alcohol (beer and tequila in Case T-584/10, *Mustafa Yilmaz v. OHIM, Tequila Cuervo/Tequila Matador hecho en Mexico*, EU:T:2012:518, par. 54 / beer and wine in Case T-175/06 *The Coca-Cola Company v. OHIM, MEZZOPANE*).

- **purpose:**

The purpose of non-alcoholic beverages is to “*quench thirst*” (Case C-416/04 P, *The Sunrider Corp. v. OHIM, VITAFRUIT* par. 86) and to refresh, whereas this cannot be said to be the purpose of alcoholic beverages for the average consumer (Case T-584/10, *Mustafa Yilmaz v. OHIM, Tequila Cuervo/Tequila Matador hecho en Mexico*, EU:T:2012:518, par. 54, “[...] *which is not normally the case for the alcoholic beverages*”). Interestingly in the same case T - 584/10, the General Court had found that beer, an alcoholic beverage, also intends to “quench thirst” (*ibid*). Per the Grand Board decision of 21 January 2019, R 1720/2017-G, (*Iceberg*) *supra*, on the intended purpose of spirits: “*Spirits are consumed on special and convivial occasions and for pleasure* (12/11/2009, T-438/07, Spago, EU:T:2009:434, § 30)”. Lastly, per the EUIPO Guidelines, the goods at issue “[...] *are not intended to be consumed in either the same circumstances, or in the same state of mind, or, as the case may be, by the same consumers* [...]”.

- **method of use:**

Both alcoholic and non-alcoholic beverages are drinkable goods / liquids for human consumption and share a common “*method of use*”.

- **in competition:**

Per the EUIPO Guidelines “*Goods/services are in competition with each other when one can substitute the other. That means that they serve the same or a similar purpose and are offered to the same actual and potential customers. In such a case, the goods/services are also defined as ‘interchangeable’ (04/02/2013, T-504/11, Dignitude, EU:T:2013:57, § 42)*”. Due to the presence of alcohol it may not be considered that non-alcoholic beverages may be substituted by or considered as interchangeable with alcoholic beverages for the average consumer.

- **complementary:**

Per the EUIPO Guidelines, in order for the goods to be considered as complementary they should be “*indispensable or important for the use of the other*” and this is to be “[...] *clearly distinguished from **use in combination** where goods/services are merely used together, whether by choice or convenience, but can be used also without the other or with different goods [...] In such cases similarity can be found on the basis only of other factors, not complementarity*”. As the General Court had found in Case T-150/17 of 04/10/2018, FLÜGEL / VERLEIHT FLÜGEL et al., EU:T:2018:641, par. 81: “[...] *it cannot be considered that an alcoholic drink and an energy drink are similar merely because they can be mixed, consumed or marketed together, given that the nature, intended purpose and use of those goods differ, based on the presence of, or absence of alcohol in their composition (see, to that effect, judgment of 18 June 2008, MEZZOPANE, T-175/06, EU:T:2008:212, paragraph 79)*”. See also General Court decision of 21/9/2012, T-278/10, WESTERN GOLD EU:T:2012:459, § 40.

- **distribution channels:**

Per the General Court’s decision in Case T-150/17, par. 80: “[...] *a very large number of alcoholic and non-alcoholic drinks are generally mixed, consumed, or indeed marketed together, either in the same establishments or as premixed alcoholic drinks*”. According to the EUIPO Guidelines this criterion “*does not refer so much to the way of selling or promoting a company’s product as to the place of distribution [...] The question to be asked is rather: do the goods/services have the same points of sale, or are they usually provided or offered at the same or similar places?*”. The Guidelines further propose that this factor should not be given decisive importance since “*modern supermarkets, drugstores and department stores sell goods of all kinds*” and that “*Only where the goods in question are offered in the same **section** of such shops [...] will this favour similarity*”. It is common knowledge that alcoholic and non-alcoholic beverages may be found in supermarket, mini-market or other stores shelves, at least in a number of EU member states, next to each other.

- **other factors:**

As the EUIPO Opposition Division had found in the *Iceberg* case, the goods at issue “*are often sold side by side both in shops and bars and on drinks menus*” (Grand Board, 21/01/2019, R

1720/2017-G, ICEBERG (fig.) / ICEBERG et al., p. 3) and concluded that the goods are similar. On the other hand, the General Court in Case T-584/10 (*supra*) reasoned in the opposite direction, noting that “Those goods are not normally displayed in the same shelves in the areas of supermarkets and other outlets selling drinks” and hence concluded the opposite namely that the goods are not similar. INTA notes that at least in France, Belgium and Greece, alcoholic and non-alcoholic beverages are in the same part of the supermarket, albeit on different shelves if space allows. Lastly, the usual origin (producer/provider) of the goods criterion and the relevant public may also be taken into account and as regards the former we refer to examples of common origin of alcoholic/non-alcoholic beverages below.

Conclusion:

From the above it follows that:

- starting off from a different assessment on factual issues, such as for example whether alcoholic and non-alcoholic beverages are sold next to each other in retail shops, the judicial bodies have reached different conclusions;
- it is not necessary to fulfill all the mentioned criteria to find similarity / dissimilarity; and
- depending on the goods at issue, certain of the indicative criteria appear to be fulfilled while others do not.

In view of the above, INTA considers that for similarity to be found it is not necessary for all the criteria to be fulfilled, and, conversely, if there are criteria that are fulfilled and others that are not, this is not enough to dismiss similarity. Furthermore, there is no indication by CJEU case law that some criteria are more important than others.

Interaction

The fact that the boundaries of goods in classes 32 and 33 are intertwined follows also from the below (classification serving, in any case, administration purposes only):

- in the case of alcoholic drinks, they are all classified in class 33, except for beer, which is also an alcoholic drink and is classified in class 32;
- within class 32, there are also “aperitifs non-alcoholic” (code no 320042) or “cider non-alcoholic” (code no 320047), i.e., typically alcoholic drinks when they contain no alcohol. Therefore, it cannot be excluded that when consumers want to consume an alcoholic drink but, for practical, health-conscious and/or other reasons, will not do so, they will chose to consume the same drink in its alcohol free version. These typically alcoholic beverages in the alcohol free version satisfy the same needs of consumers, to consume e.g. an aperitif or a cider when they visit a restaurant (see also Case T-584/10, par. 54, stating that alcoholic beverages “ [...] *may be consumed in the same places and on the same occasions and satisfy the same need – for example, enjoyment of a drink during a meal or as an aperitif* [...]”). These drinks fall in class 32 however they satisfy the same consumer needs as those that apply for goods in class 33.

This interplay is confirmed also in the EUIPO Guidelines where it is stated that “[...] *when comparing specific alcoholic beverages and specific non-alcoholic beverages, such as alcohol-free wine in Class 32 and wine in Class 33* [...] *these goods target the same relevant*

public, share the same distribution channels and can be produced by the same undertakings, they are similar”.

D. Reasons why INTA is submitting this brief

In INTA's view the case presents the following 3 issues, which are of high importance for the international trademark community and currently need clarification:

1. Under which circumstances can the goods of class 32 be deemed similar (to whatever extent) to goods of class 33?

The General Court in the *Flügel* case and the Opposition division in the case under consideration deem that the fact that 'an alcoholic beverage' versus 'an energy drink' OR an 'alcoholic beverage' versus 'non-alcoholic beverages; flavoured carbonated beverages; waters; vitamin enriched sparkling water' can be mixed with one another, consumed together or sold together, is insufficient to regard them as similar to one another. The Opposition Division considers those sets of goods to be "*fundamental dissimilar*". The Opposition Division indicated that there "*can be exceptions to that only in extremely specific individual cases and only if certain alcoholic beverages are compared with certain non-alcoholic beverages*". In INTA's view, this approach may no longer be consistent with current market practice and the perception of the relevant public, and may therefore require a less rigid approach than the approach taken so far by the EUIPO and the General Court in respect of class 32 and class 33 goods.

INTA deems that the test as described by the Opposition Division that there is a 'fundamental dissimilarity between alcoholic beverages in class 33, on the one hand, and non-alcoholic beverages in class 32, on the other hand, and that "there can be exceptions to that only in extremely specific individual cases", is too strong and finds no support in the case law of the CJEU. In the assessment of the similarity of the goods or services at issue, the CJEU only requires that all the relevant factors relating to those goods or services be taken into account. Those factors include, in particular, their nature, intended purpose, method of use and whether they are in competition with each other or are complementary, whereby also other factors may be taken into account, such as (but we assume, such other factors not to be limited to) the distribution channels of the goods concerned or consumers' / manufacturers' habits and usual origin (producer/provider).

INTA submits that not only is the general public aware of a large number of alcoholic and non-alcoholic beverages being usually mixed with one another, consumed together or even sold together, be it in the same bars or restaurants or as pre-mixed alcoholic beverages, but also more and more shops are, for example, selling "make your own cocktail" sets or kits comprising of both alcoholic and non-alcoholic beverages in one gift set (see, for example: <https://www.you.co.uk/cocktail-making-kits/>).

One of the factors that should be taken into account in the case under consideration is that the trends of the beverages' industry suggest a move towards more no- and low alcohol beverages, a.k.a. 'nolo' beverages for functional or health-conscious reasons.

Examples of such beverages include:

- Martini Vibrante (https://drankdozijn.nl/artikel/fles-martini-vibrante-non-alcoholic-aperitif-75cl?utm_source=googleads&utm_campaign=textfeed&utm_medium=shopping&gclid=EAlaIQobChMIwqe606yR7wIVFr3Ch3qcAWLEAQYBSABEglwS_D_BwE);
- Seedlip Gin non alcoholic (https://www.gall.nl/s/gall-nl/seedlip-grove-geen-70cl-155217.html?gclid=EAlaIQobChMI9KHdu62R7wIVGKd3Ch2GOgK3EAQYBSABEgKBX_D_BwE&gclsrc=aw.ds);
- Mojito non alcoholic (https://www.alcoholvrijshop.nl/sir-james-101-mojito-mocktail?gclid=EAlaIQobChMI9KHdu62R7wIVGKd3Ch2GOgK3EAQYByABEgJfY_D_BwE)

In the last decade, there has also been a notable increase in, for example, the manufacturing and promotion of zero or low alcohol beer, non-alcoholic cocktails ('mocktails') as well as wines and sparkling wines without or with less alcohol. These 'nolo' products (low and no alcohol products) are being grouped together on supermarket shelves, positioning nolo beer alongside 'nolo' wine and spirits.

Therefore, non-alcoholic drinks may at least be used by consumers as an alternative to alcoholic drinks in order to satisfy the same consumer needs. Even if this were not to be supported vice versa (alcoholic drinks as substitute for non-alcoholic drinks) it does show that the goods at issue are converging more and more vis-à-vis the consumers over time. The case of beers examined below (and, for the same reason, pre-mixed alcoholic drinks) shows that also the opposite (alcoholic drinks as substitute for non-alcoholic ones) may also well apply.

Furthermore, class 32 includes 'beers' which are alcoholic beverages, as opposed to all other types of goods classified in class 32. This raises questions such as whether a low-alcohol beer is a sub-category of beer or, instead, it is more closely related to low-alcohol alternatives to wine and spirits. And this may have consequences for future brand strength/scope of protection, registrations and enforcement strategies.

The Committee of Experts on the Nice Classification, under the auspices of WIPO, is currently considering a proposal to move beer from class 32 to 33. Even if this should occur, this would not in itself result in the goods being dissimilar. The reason why people consume either alcoholic beverages or zero alcohol beers, zero alcohol wines and mocktails, is not just to quench their thirst, but to still have an experience which looks (or tastes!) like drinking an alcoholic beverage but which is a healthy-conscious (or practical if, for instance, having to drive afterwards) alternative. Accordingly, class 32 and 33 goods may be deemed similar.

INTA submits that considerations, such as, for example, those set out by the General Court in the MEZZOPANE decision, on the differences regarding the method of manufacturing between beers and wines, or between alcoholic beverages and non-alcoholic beverages are not relevant. Such differences will not affect the "purpose of use" nor "the method of use" by the consumers concerned. Moreover, it cannot be excluded that goods with different methods of production may still be similar goods (e.g. an olive oil extracted in the traditional mills as against olive oil extracted in mechanical methods, a ceramic mug manufactured in hand as opposed to a ceramic mug manufactured in mass production etc.).

It is noted that the Board of Appeal stated in its decision of 20 January 2020, in case R 2524/2018-4, *chic ÁGUA ALCALINA 9,5 PH/Chic Barcelona* that alcoholic drinks include also “low alcohol content, such as sangria, cider or mixtures and combinations of alcoholic and non-alcoholic drinks, such as vermouth with soda, whisky or anise, with water. It should therefore be understood that some of the goods at issue are targeted, among others, to quench thirst but with different ingredients and the goods at issue are, to a certain extent, in competition with each other”. Even though it is disputable whether the average consumer would choose a low alcoholic drink in order to quench his/her thirst, in the same manner as it would choose a non-alcoholic beverage, what follows from the above is that under the current market trends and reality, the presence of alcohol or the degree of alcohol may not be a safe and sole, by default, determinative criterion of similarity/dissimilarity.

In addition to the above described development into non-alcoholic or low alcoholic alternatives, there is, at the same time, a tendency of soft drink manufacturers now also manufacturing and offering for sale alcoholic variations on their soft drink products. See for example, the launch by soft drink manufacturer Coca-Cola of premium mixers with alcohol under the Coke brand: <https://www.marketingweek.com/coca-cola-moves-into-alcohol-market-with-premium-mixers/>.

INTA therefore believes that it is no longer appropriate to determine that only in 'extremely specific individual cases', 'there can be exceptions to the fundamental dissimilarity between alcoholic beverages in class 33 on the one hand and non-alcoholic beverages in class 32 on the other hand'. INTA asserts that the assessment of the similarity between class 32 and class 33 goods must be done on an individual case by case basis, taking into account the relevant factors relating to those goods, including, inter alia, the current market practices and habits for the goods at stake.

2. The test should not be whether or not the relevant public can make a distinction between the two sets of goods (class 32 versus class 33) involved.

In the opinion of INTA, in the *Flügel*-case, the General Court also applies a test that is inappropriate, when it states that "*the [Austrian] public is also used to and aware of the distinction between alcoholic and non-alcoholic drinks. It follows that the public will make that distinction when comparing the energy drink of the earlier mark and the alcoholic drink of the mark applied for*". In analyzing the similarity of goods, the question should not be whether or not the relevant public can make a distinction between the two sets of goods involved. In other comparisons of sets of goods, such as, for example, between class 18 (*belts, bags*) and class 25 (*clothing, headgear, footwear*), which comparison is often made and deemed to result in similarity, the relevant public will be quite capable of making that distinction. One can distinguish between a pair of leather hiking shoes (class 25) versus a leather backpack (class 18) but these goods may be offered for sale in the same outlets (for example, an outdoor shop), be used for the same purpose (a mountain trip) and as such could be considered being similar goods to a certain extent.

Therefore, in INTA's view, the relevant test should (only) be whether, on the basis of the relevant factors relating to those goods, such as, but not limited to, their nature, intended purpose, method of use, competitive or complementary character and their distribution

channels, similarity can be found. Whether or not the relevant public of the goods at stake is capable of distinguishing class 32 goods from class 33 goods, in general, should not be relevant.

3. No justification for an absolute consideration that there is a fundamental dissimilarity between class 32 and class 33 goods.

For the above mentioned reasons, INTA believes that the similarity between the goods involved in the case under consideration (class 32 – Non-alcoholic beverages; flavoured carbonated beverages; waters; vitamin enriched sparkling water [beverages] versus class 33 – Wines, spirits and liqueurs) should not be ruled out simply because of the general consideration that there is a fundamental dissimilarity between beverages with alcohol versus beverage without alcohol, as adopted by the Opposition Division in its decision of 25 March 2020.

F. Conclusion

INTA's views on the case referred to the Grand Board are, therefore, as follows:

The case provides an opportunity for clarification for a finding of similarity between (certain) class 32 beverages and (certain) class 33 beverages.

This will serve the interest of both brand owners as well as consumers, for example, in terms of future brand strength/scope of protection, registrations and enforcement strategies, given the convergence between the alcoholic and non-alcoholic beverages sectors (alcoholic sector moving to non-alcoholic versions and non-alcoholic sector moving to alcoholic drinks).

It appears appropriate to consider that a rigid approach of (dis)similarity between class 32 and class 33 goods may not be adequate in every case nowadays. The trends of the beverages' industry suggest a move towards more "no- and low" alcohol beverages, a.k.a. "nolo" beverages, which is supported by the way these beverages are marketed and consumed: i.e., as, for example, functional or health-conscious alternatives to alcohol, as opposed to a new type of soft drink. These products all aim at fulfilling the same need but with different ingredients. This should not exclude similarity in general but should be assessed on a concrete case-by-case basis.

Whether or not the relevant public of the goods at stake is capable of distinguishing class 32 goods from class 33 goods, in general, should not be relevant.

Similarity should not be ruled out simply because of the assumption that there is a general dissimilarity between beverages with alcohol versus beverages without alcohol.

On this basis, INTA believes that the Grand Board should make a detailed assessment and find similarity to a certain extent with respect to all or at least part of the goods covered by the marks at issue rather than ruling out such similarity simply because there would be a 'fundamental dissimilarity' between the two sets of goods concerned.

ANNEX A

INTA has filed the following *amicus*-type submissions in cases before European courts:

- Third Party Observations on 3 March 2021 in [Cases R 1719/2019-5 and R 1922/2019-5](#), *The Estate of the Late Sonia Brownell Orwell ./. EUIPO*.
- Third Party Observations on 24 February 2021 in [Case R 2248/2019-5](#), *The Estate of the Late Sonia Brownell Orwell ./. EUIPO*.
- Letter of submission on December 23, 2020 in [Case C-421/20](#) *ACACIA S.R.L v. Bayerische Motoren Werke Aktiengesellschaft*
- Third Party Observations on December 1, 2020 to EUIPO Grand Board in [Case R 1304/2020-G](#), *Der Grüne Punkt Duales System Deutschland GmbH ./. Halston Properties, s.r.o. GmbH*
- Letter of submission to Novartis AG on September 28, 2020, in Joint Cases *Novartis AG v. Impexco NV* and *C-254/20 Novartis AG v. PI Pharma NV* ([C-253/20](#) and [C-254/20](#))
- Statement of Intervention on January 6, 2016, in the case *DHL Express (France) v EUIPO* ([T-142/15](#)).
- Statement of Intervention on April 25, 2014 in the case *Voss of Norway v OHIM* ([C-445/13 P](#)).
- Written Observations on March 16, 2010 in the case *Nokia Corporation v. Her Majesty's Commissioners of Revenue and Customs* (HMRC) ([C-495/09](#)).
- Letter of submission to Specsavers International Healthcare Limited on August 23, 2012 in the trademark case *Specsavers International Healthcare Limited & others vs Asda Stores Limited* ([C-252/12](#)).
- Letter of submission to Intel Corporation on September 5, 2007, in the trademark case *Intel Corporation v. CPM United Kingdom Ltd.* ([C -252/07](#)).
- Letter of submission to Adidas and adidas Benelux on June 12, 2007 in the trademark case *Adidas and adidas Benelux* ([C-102/07](#)).
- Letter of submission to SARL Céline on April 25, 2006 in the trademark case *SARL Céline v. SA Céline* ([C-17/06](#)).
- Submission as intervener to the English Court of Appeals on October 16, 2006 in the case *Special Effects v L'Oréal SA* (HC 05C012224, Court of Appeal 2006 0744).
- Letter of submission to Bovemij Verzekeringen N.V. on June 17, 2005 in the case *Bovemij Verzekeringen N. V. v. Benelux Merkenbureau* (ECJ - C-108/05).
- Letter of submission to Schering-Plough Ltd. on December 5, 2003 in the trademark case *Schering-Plough Ltd v. European Commission and EMEA* (CFI T-133/03).
- Letter of submission to Merck Inc. on April 4, 2003 in the trademark case *Paranova A/S v. Merck & Co., Inc, Merck, Sharp & Dohme B. V. and MSD (Norge) A/S* (EFTA Court E-3/02).
- Letter of submission to Praktiker Bau - und Heimwerkermarkte AG on March 20, 2003 in the trademark case *Praktiker Bau - und Heimwerkermarkte AG* (ECJ C- 418/02).

- Letter of submission to Shield Mark on November 1, 2001 in the trademark case *Shield Mark v. J. Kist* (ECJ C-283/01).
- Letter of submission to Libertel Groep B.V. on July 6, 2001 in the trademark case *Libertel Groep B.V. v. Benelux Merkenbureau* (ECJ - C- 104/01)
- Letter of submission to Glaxo Wellcome Limited on October 10, 2000 in the trademark case *Glaxo Wellcome Limited v. Dowelhurst Limited and Swingward Limited* (ECJ - C-143/00)