

MEMBER'S VOICE: EUIPO CASE LAW REPORT: DUTCH TEQUILA EVOKES TEQUILA, EVEN FOR WINES! BY BENJAMIN FONTAINE, PARTNER, PLASSERAUD IP

Can a spirit GI be enforced in case of an evocation in connection with wines? Yes, says the Second Board of Appeal of the EUIPO in an interesting, yet isolated, decision of 6 March 2024 in case R1033/2023-2.

The decision ruled on appeal on an opposition lodged by the *Consejo Regulador del Tequila*, against an application for the word mark DUTCH GENQUILA that designated “wines” in class 33.

This application had already been rejected partially by the Opposition Division of the EUIPO, insofar it designated other alcoholic beverages such as “spirits” and “distilled beverages”. The existence of an “evocation” of the earlier geographical indication TEQUILA, in the sense of Article 21(2) of Regulation no. 2019/787 (formerly Article 16 of Regulation no. 110/2008), implemented in connection with Article 8(6) of the EU trade mark regulation, was undisputable. It was even expressly relied upon by the EUTM applicant itself, for example on its website: DUTCH GENQUILA is “*not genever or tequila, but a one-of-a-kind Genquila! A purely natural Dutch product which is the opposite of Mexican Tequila*”. The fact that an evocation is made “on purpose” is a relevant factor, as per the case law of the Court of Justice ((21/01/2016, C-75/15, VERLADOS). Also, as is well-known, the indication in the brand itself, or on the label, of the true origin of the product – here with the element “DUTCH” - does not prevent a finding of evocation (07/06/2018, C-44/17, SCOTCH WHISKY).

Rather, the interest of this decision lies in the analysis of the relationship between spirits and wines: as a first step, the Board recalls that as per current case law, these beverages are not “comparable”. Indeed, in accordance with the case law of the Court of Justice, which is interpreted quite restrictively by the EUIPO, comparable goods are those “*which have common objective characteristics and which are consumed, from the point of view of the relevant public, on occasions which are largely identical. Furthermore, they are frequently distributed through the same channels and subject to similar marketing rules*” (14/07/2014, Joined cases C-4/10 and C-27/10, COGNAC II).

However, the Board recalls that a finding of evocation is not dependent upon a finding of “comparability” of the goods. What matters is to establish a sufficiently direct and univocal link between the GI and the subsequent trade mark, and in this assessment the degree of proximity between the goods plays an important role (02/05/2019, C-614/17, QUESO MANCHEGO). Here, the Board highlights that “*there is a clear proximity between the goods at issue since they are alcoholic beverages. Because they contain alcohol, these are all products directed at adult consumers and which are consumed under similar circumstances and for similar reasons, namely in particular for the sheer enjoyment of the taste as well as the pleasant effects of the alcohol, and on identical occasions. Their physical appearance is similar as they are both (alcoholic) beverages, so both are liquids and sold in bottles. They are also likely to be sold and consumed in the same or similar types of establishments (liquor stores, wine shops, restaurants, bars) (...) In addition, a tequila-flavoured wine could be marketed. It is well known that there are already tequila-flavoured beers on the market*”.

We should support the Board’s position here: the facts of the case show that there is a clear, voluntary, evocation of a spirit GI, and that such evocation should extend not only to the goods directly comparable, but also to those which present several relevant common characteristics, as highlighted in the decision.

But let us not celebrate too quickly. This assessment will probably not be followed by the first instance of the EUIPO, which has always been very conservative. Likewise, not all the Boards of Appeal will endorse the reasoning. For example, the first Board of Appeal of the EUIPO adopted a very restrictive approach in the assessment of the possible evocation of the PDO TORO by an EU trade mark TORO DE PIEDRA (and bull device), in which TORO was reproduced alone on top of the sign, in a much bigger size than the other verbal elements (28/08/2023, R 1899/2022-1). The products compared were also wines and spirits, the contested sign clearly and dominantly reproduced the PDO TORO, still the Board held that there could be no evocation for the public of the EU.

