



IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

20/1/17

CASE NO: 99935/15

1. Reportable: Yes/No
2. Of interest to other judges: Yes/No
3. Revised: Yes/No

20 January 2017

(Signature)

In the matter between:

TEQUILA CUERVO SA de CV

Applicant

and

FABRICATION AND LIGHT ENGINEERING CC

Respondent

JUDGMENT

DE VILLIERS, AJ:

Introduction

- 1 This matter is about a trademark¹ dispute.
- 2 The applicant is the registered proprietor of the following trademarks in class 33 that are relevant to this application (referred to herein as "***the applicant's trademarks***"):

CUERVO	Class 33 Spirits
JOSE CUERVO	Class 33 Alcoholic liqueur, including Tequila
 The Jose Cuervo Especial label	Class 33 Alcoholic beverages, including Tequila
 The Jose Cuervo device	Class 33 Tequila, tequila liqueur and alcoholic cocktails containing tequila; in class 33
 The Raven device	Class 33 Tequila, tequila liqueur and alcoholic cocktails containing tequila; in class 33

3 The applicant's trademarks therefore include the word marks "CUERVO" and "JOSE CUERVO", as well as depictions of ravens. In the end, the applicant only relied upon the two trademarks "CUERVO" and "JOSE CUERVO" in argument, and not upon the label and the devices depicted above.

4 The respondent has applied for registration of the  trademark ("the **IL CORVO proposed trademark**") in class 33 in respect of wine.

5 The applicant opposes the application based on sections 10(12), 10(14) and 10(17) of the **Trade Marks Act**, 194 of 1993 ("the **Trade Marks Act**"). The three sub-sections of the **Trade Marks Act** in issue read (underlining and bold emphasis added to reflect the argument by the applicant):

“Unregistrable trade marks.—The following marks shall not be registered as trade marks or, if registered, shall, subject to the provisions of sections 3 and 70, be liable to be removed from the register:

(1) ...

(12) *a mark which is inherently deceptive or the use of which would be likely to deceive or cause confusion, be contrary to law, be contra bonos mores, or be likely to give offence to any class of persons;*

(13) ...

(14) *subject to the provisions of section 14, a mark which is identical to a registered trade mark belonging to a different proprietor or so similar thereto that the use thereof in relation to goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods or services in respect of which such trade mark is registered, would be likely to deceive or cause confusion, unless the proprietor of such trade mark consents to the registration of such mark;*

(15) ...

(17) *a mark which is identical or similar to a trade mark which is already registered and which is well-known in the Republic, if the use of the mark sought to be registered would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark, notwithstanding the absence of deception or confusion, unless the proprietor of such trade mark consents to the registration of such mark ...”*

6 The applicant summarised its case that the IL CORVO proposed trademark, infringes upon the applicant’s trademarks as follows (bold emphasis added to reflect the argument by the applicant):

6.1 “Section 10(12): The use by the Respondent of its proposed IL CORVO mark is likely to deceive or cause confusion because of that mark’s **similarity** to the Applicant’s CUERVO mark;

6.2 “Section 10(14): The Respondent’s proposed IL CORVO mark is so **similar** to the Applicant’s registered CUERVO, JOSE CUERVO and ~~raven~~ devices that the use

by the Respondent of its proposed IL CORVO mark on wine, wine being similar to tequila, is likely to deceive or cause confusion; and

6.3 *"Section 10(17): The Applicant's registered JOSE CUERVO, CUERVO ~~and raven~~ devices are well-known in South Africa to tequila drinkers and the Respondent's proposed IL CORVO mark is similar thereto such that the use of the IL CORVO mark is likely to take unfair advantage of or be detrimental to the distinctive repute and character of the Applicant's registered marks."*

7 In all three cases the first question therefore is if any confusing similarity between the IL CORVO proposed trade mark and the applicant's trademarks exists, despite the word "*similarity*" not being used in section 10(12) of the **Trade Marks Act**. I start this judgment by addressing this issue:

The existence or not of confusing similarity between the IL CORVO proposed trademark and the applicant's trademarks.

The existence or not of confusing similarity

8 The essential function of a trademark is to indicate the origin of the goods in connection with which it is used.²

9 The approach that a court has to apply in considering any confusing similarity between the proposed trademark and the existing one(s) is trite, but not easy. The relevant cases have been collected in **Distell Limited v KZN Wines and Spirits CC** (20291/2014) [2016] ZASCA 18 (15 March 2016) at Para 7 to 14 and, in short, include the following principles:

9.1 The court must consider the allegedly infringing mark globally, being the visual, aural or conceptual similarity of the two competing marks. This is based on the overall impression given by the marks, in particular, their distinctive and dominant components;

9.2 It is a value judgment;

- 9.3 An assessment must be made of the impact which the IL CORVO proposed trademark would make upon the average type of customer who would be likely to purchase wine [and I add, who may be confused that the origin of the wine was the same as CUERVO spirits or JOSE CUERVO alcoholic liqueur (including Tequila)];
- 9.4 The court has to transport itself, notionally, from the courtroom (or the study), to the market place to look at the two competing marks as they will be seen in fair and normal commercial use, by the notional consumer;
- 9.5 The notional consumer is not of "*phenomenal ignorance or extraordinarily defective intelligence*". The notional customer must be conceived of as a person-
- 9.5.1 Of average intelligence, having proper eyesight and buying with ordinary caution;
- 9.5.2 Who is reasonably well-informed and reasonably circumspect and observant;
- 9.5.3 Who may encounter the wine bearing the IL CORVO proposed trademark, with an imperfect recollection of the applicant's CUERVO or JOSE CUERVO trademarks;
- 9.5.4 As a person without a photographic recollection of the whole of the applicant's trademarks;
- 9.6 The two competing marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances; and

9.7 The two competing marks must not only be considered side by side, but also separately.

10 I also considered **Mettenheimer and Another v Zonquasdrif Vineyards CC and Others** 2014 (2) SA 204 (SCA) at Para 13:

“[13] Considerations that could assist in determining this likelihood of confusion have been proposed in decided cases. Prominent among these are the judgments of the Chancery Division in **British Sugar plc v James Robertson & Sons Ltd** [1996] RPC 281 (Ch) at 296 – 297 and of this court, albeit in a context different from s 34(1)(b), in **Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd and Another** 1991 (4) SA 850 (A) at 860F – 861E. Included amongst the considerations proposed in these cases are: (a) the uses of the respective goods; (b) the users of the respective goods; (c) the physical nature of the goods; and (d) the respective trade channels through which the goods reach the market. It is clear that the list of proposed considerations was never intended to be exhaustive. Yet they serve to stimulate and guide the required process of reasoning in the enquiry as to the likelihood of confusion.”

11 It is sufficient to establish confusing similarity if a substantial number of persons probably will be confused as to the origin of the wine or the existence of a connection between IL CORVO and JOSE CUERVO or CUERVO. I must make such a factual finding on the normal principles applicable in motion proceedings for final relief.

12 The court has to apply the principles set out in **Distell Limited v KZN Wines and Spirits CC** (supra) ultimately to make a value judgment. As stated in **Bata Ltd v Face Fashions CC and Another** 2001 (1) SA 844 (SCA) at Para 9 and reflected in **Adidas AG & another v Pepkor Retail Limited** (187/12) [2013] ZASCA 3 (28 February 2013) at Para 21 with reference thereto:

“It must be emphasized that the likelihood of confusion must be appreciated globally and that the –

‘global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components’.”

13 The court must find that there is a more than a slight resemblance; “a *marked resemblance or likeness*” is required for a finding of similarity. This

was found in **Bata Ltd v Face Fashions CC and Another** (supra) at Para 14, and was applied in **Yuppiechef Holdings (Pty) Ltd v Yuppie Gadgets Holdings (Pty) Ltd** (1088/2015) 2016 ZASCA 118 (15 September 2016) at Para 44.

14 I have endeavoured to be that hypothetical consumer of wine. As such a person, would I be confused by any similarity between the IL CORVO proposed trademark and the applicant's trademarks?

14.1 To my mind, the IL CORVO proposed trademark does or does not globally resemble the applicant's trademarks, JOSE CUERVO or CUERVO. They are visually and conceptually different-

14.1.1 The IL CORVO proposed trademark is a pictorial devise which bears the words "*il corvo*" prominently in a cursive-type writing. The three birds, ravens, are depicted in flight over a skyline as part of the mark-



14.1.2 The IL CORVO proposed trademark is a device mark and not a word mark. None of the applicant's trademarks bears a similar composition to the IL CORVO proposed trademark. Similar cursive wording is not used, a skyline is not used, (if still relevant) a single raven is used (not in flight), and there are differences between "*IL CORVO*" and "*CUERVO*" and "*JOSE CUERVO*" respectively.

Accordingly, the contesting marks, in my view, have clear distinctive dominant components. The differences are stark, in my view;

14.2 There is some similarity between the words "*IL CORVO*" and "*CUERVO*", in appearance ("corvo" and "cuervo" are words of

similar length, sharing the same first and last three letters) leaving aside for the moment that the IL CORVO proposed trademark contains the word “*il*” too. In a case of imperfect recollection, the “*il*” may or may not be remembered. There also is some similarity between the words “*IL CORVO*” and “*CUERVO*”, in imperfect pronunciation. Still, to my mind, the overall impression given by the marks based on their distinctive and dominant components, is that they are not similar, and to the degree that they are similar this would not cause confusion;

14.3 I am alive to the fact that my comparison takes place before my computer in my study. In my view my findings are not disturbed the more I seek to become the average type of customer who would be likely to purchase wine. He/she is likely to exercise reasonable circumspection and observation, will know that wine and spirits in the case of CUERVO, or alcoholic liqueur (including Tequila) in the case of JOSE CUERVO, are different in their nature and process of manufacture. This knowledge reduces the risk of confusion about origin;

14.4 In my view it is extremely unlikely that the notional consumer would know that that “*corvo*” and “*cuervo*” both mean raven in different languages. This reduces the risk of confusion about origin;

14.5 I took into account that some retailers sell both wine and tequila, that some consumers drink both wine and tequila and that wine and spirits are sold in different parts of retail establishments, making side-by-side comparison difficult, but perhaps emphasising the distinctions too.

15 Without a confusing similarity, none of the three grounds relied upon by the applicant as the basis for its objection can be sustained.

Consequently, I make the following order:

1 The applicant's opposition is dismissed with costs.



DP de Villiers

Acting Judge of the High Court

Gauteng Division

Heard on:	22 November 2016
On behalf of the Applicant:	KD ILES
Instructed by:	Adams & Adams Inc
On behalf of the Respondent:	P CIRONE
Instructed by:	DM Kisch Inc
Judgment handed down:	20 January 2017

¹ I use "trade mark" where I refer specifically to the wording of the Trade Marks Act;

² **Cowbell AG v ICS Holdings Ltd** 2001 (3) SA 941 (SCA) at Para 10;