BEFORE:

MR GEOFFREY HOBBS QC

IN THE MATTER OF TRADE MARKS ACT 1994

AND

IN THE MATTER OF APPLICATION NO'S 2048582 & 2048583 BY MARS UK LIMITED TO REGISTER A 3D DEVICE TRADE MARK IN CLASS 30

APPEAL OF APPLICANT FROM THE DECISIONS OF THE HEARING OFFICER (MS JANETTEE McNEIL) DATED 14th AUGUST 1977 & 15th AUGUST 1977

MS CLAIRE HUTCHINSON (of Grant, Spencer, Caisley & Porteous London W1) appeared on behalf of the Appellant

MR A JAMES (representing the Registrar) appeared for the Comptroller-General of Patents etc

Mr Hobbs: Mr James, you would bear the burden on this, would you not? It is technically your application, so would you like to go first.

Mr James: Yes, Sir. I do not know if you have received a copy of them, but I did fax some papers to the Treasury, Sir, yesterday.

Mr Hobbs: Yes. I have a letter from Ms Hutchinson and your response.

Mr James: The Registrar's case for the matter to be referred to the court is essentially a very simple one and can be seen from an examination of point 3 of Ms Hutchinson's letter of yesterday's date. The question is whether the standard of registrability for three-dimensional marks is a matter of general legal concern, or whether it is a matter that should be considered simply on the facts of these particular cases. In the Registrar's submission, that is a matter of general legal concern. The fact there have been so few cases so far under the law suggests that the guidance of the court would be appropriate.

I am aware that since the request there has been a decision in the case of Philips v Remington, but that seems, in the Registrar's view to be related more to the question of what might be ultimately registrable on evidence of acquired distinctiveness. There is no such evidence in this case. These cases raise a slightly different issue of what might be registrable prima facie on which we have had no specific guidance.

Mr Hobbs: Can we just trace this through. If you have Sections 1(1) and 3 open in front of you, I just want to make sure - - - -

Mr James: Sorry, what section was that?

Mr Hobbs: Section 1(1), the definition of a "trade mark", and then Section 3, the absolute grounds for refusal. In terms of legal analysis, Section 1(1) itself says that a "trade mark" means "any sign" and so on, and it "may, in particular, consist of", and it includes the shape of the goods.

Mr James: Yes.

Mr Hobbs: Then we find that Section 3(1)(a) excludes signs - - and note the word "signs" - - which are not capable of satisfying the requirements of Section 1(1). Then, there is the same language for Section 3(2): "A sign shall not be registered as a trade mark if it consists exclusively of [various things]." There is no objection on the Registrar's part in the present case under Section 3(2), is there?

Mr James: No, there is not.

Mr Hobbs: So we have reached a situation where, as things presently stand, it is a sign which the Registrar accepts is capable of distinguishing but has not yet become distinctive because of the Section 3(1)(b) objection. That would be it, would it not?

Mr James: Yes.

Mr Hobbs: Just help me on this, because I have a completely open mind at the moment on this question of the extent to which there is a general point of legal importance in a decision on shape against that background. If there was a Section 3(2) objection, I would not hesitate to accept that there was a point of legal importance. Apart from anything else, Jacob J's judgement makes that clear just before Christmas. But what about where we are concerned with the case where the objection is solely under 3(1)(b)?

Mr James: Sir, I would say that, if anything, it would be easier to decide these cases if the objection was under Section 3(2) in the light of the Philips v Remington decision. That covered Section 3(2) specifically, and gave what I thought was quite a comprehensive guidance as to how that section should be applied. In the light of Philips v Remington, I do not think we would actually be arguing for a reference if in fact it was under Section 3(2).

In my submission, the fact that it is not under that heading actually distinguishes it from the Philips v Remington case because there is no argument here, or at least there is no objection being taken, that these shapes are functional or that they are indeed capable of distinguishing,

which is essentially the substance of the Philips v Remington case. So we are left, as you say, with this more difficult question of if you have a shape which is potentially capable of distinguishing and is not debarred on functionality grounds, how then do you assess whether or not it is inherently capable of distinguishing? Many of the traditional tests relate primarily to words. There is a lesser degree of authority on other signs such as two-dimensional devices. As far as I am aware, there is no authority on how to apply the usual tests in relation to three-dimensional shapes on a prima facie application.

Mr Hobbs: If you were arguing the substantive hearing in front of me, which you are not, accepting, the guidance which comes out of the shape cases in passing off, for example, Jif Lemon, and the inflatable cushion case of Hodgkinson and Corby?

Mr James: They may have some relevance to the question. I do not think I would argue they were irrelevant. I do not think they are quite on all fours because in all those cases inevitably there is evidence of use in order to generate the goodwill in the first place. They are all looked at from the case of a used mark with a reputation and some goodwill behind it.

Mr Hobbs: Right. How does the Registrar then examine an unused shape mark for the purposes of considering whether there is a Section 3(1)(b) objection? Are the two decisions I am looking at here typical of the Registrar's approach on unused shapes?

Mr James: I think they are, Sir, yes. The work manual does have a test. I do not have it with me at the moment, but I will see if I can recall roughly what it is. Essentially, the two tests are whether there is anything which is so significantly different from other shapes for the sort of products concerned as to strike the eye as memorable to the extent that if you saw another product you would be likely to assume that it came from the same source; and there is another part of the test which relates to functionality, but as we have not taken that objection, I will not bother reiterating that.

Mr Hobbs: I am thinking out loud now and I am not coming to any conclusions at the moment. The point is that things which are potentially Section 3(2) considerations creep back

under Section 3(1)(b), I think.

Mr James: Yes, they do. I would certainly accept that, Sir, and I would certainly argue that is the case.

Mr Hobbs: How frequently do you take Section 3(2) objections?

Mr James: It is difficult to give a clear answer on that question because we do not get a vast number of applications for shapes even under the new law. We are talking about fairly small numbers. Where a shape is applied to something which is not a container, which is the goods themselves I would imagine that Section 3(2) objections crop up perhaps in about one in three or one in four cases, because there are often questions of functionality. But the Registrar has issued a decision, which is pending before the court at the moment - - and we are waiting for a date to be fixed for the hearing - - in relation to the shape of a bar of soap, which is argued to be in a bone shape. That is a case where there is no Section 3(2) objection. But one of the grounds of refusal is that the bone shape, in so far as it is discernible and is likely to be seen as in any way unusual or memorable, is more likely to be taken as an aid to grip the bar of soap, rather than as an indication or origin. So that case, when it come forward, will test this idea. There is an argument there which is very much based on functionality, even though there is no Section 3(2) objection. The statement of grounds in that case - - that is one of many, Sir, and I am quite familiar with it - - in fact covered this point about whether there was an overlap between Section 3(2) and Section 3(1)(b), which is the ground of objection in that case, and decided that there was.

Mr Hobbs: Was that a used or an unused mark?

Mr James: That is an unused mark.

Mr Hobbs: Right. So it is actually raising similar issues of principle to the ones you are identifying before me this morning?

Mr James: It is certainly very similar to the one which is the joining of the sections of chocolate.

Mr Hobbs: Yes.

Mr James: That is slightly different to the other one.

Mr Hobbs: Yes. My experience of arguing cases on shapes in the court is that it is very difficult to persuade a court that a shape conveys a trade mark message at all. It can be fanciful and contorted as a shape and even then the courts may take the view that it still does not actually convey any message as to origin. Therefore, these cases on shape do tend to go to whatever conclusion they come to in circumstances where there has been use over some time. Would you like to give me you submissions on this now. Have you finished for the time being, Mr James.

Mr James: Yes.

Mr Hobbs: Right. Would you like to give me your submissions, then.

Ms Hutchinson: Yes. I was not actually prepared to talk about substantive issues at all, only about the question of whether or not the appeal should be referred to the court. The appeal is being brought on this particular matter because the applicant thinks that both the shapes are registrable, rather than because it is a matter of great commercial importance to the applicant. So it is a principle but at a low level, and that is why they have elected to choose appeal to the appointed person rather than to the court. They would not be prepared to go forward with an appeal to the court almost certainly because of the cost.

Mr Hobbs: All right. Let me tell you what I think about that. I have read those submissions. Mars is quite a substantial organisation. I know from my every day practice that they figure quite regularly in the law reports. They are vigilant in the protection of their rights, normally. The value of a trade mark registration for a shape is immense. It is the next best thing to a

copyright without the limitation in time, is it not.?

Ms Hutchinson: Yes.

Mr Hobbs: Are we really saying, in relation to Mars, that if it is going to cost them more than £500 or £1,000, that they are going to drop it?

Ms Hutchinson: I am not experienced in relation to costs in the High Court, but I thought that the costs would be significantly higher than that if it was an appeal to the court rather than to the appointed person. The discussions that I have had directly with Mars are that they do not consider it to be sufficiently important. Whether, if I go back and say, "OK, we have to go for the court", they will stand by that view, I do not know. As with any commercial organisation - - it does not matter how big you are - - you may think twice before doing things that you are not particularly concerned about. There is a lot of use being made of these shapes anyway, so as an alternative they could consider re-filing and filing evidence of use. So they have other options other than appeal to the court.

Mr Hobbs: I understand.

Ms Hutchinson: I can only tell you that is the information that has given to me, that they may not go forward with an appeal to the court on these particular shapes.

Mr Hobbs: Let us start from this basis. You have a statutory right to decide ..... the clients have a statutory right to decide which way they will go with an appeal. The question is whether I should deprive them of the right to bring the appeal to this Tribunal. There are advantages in coming here. The proposition is that the costs are lower and rights of audience are not restricted. On the other hand, there is no appeal from my decisions, which means that the Registrar cannot get authoritative guidance by way of appeal from anything I might say unless he brings it up in other cases. So, I think, looking at it in the round, the question you have to confront is whether this application does raise a matter of general legal principle. What do you say about that?

Ms Hutchinson: We think it does not. It is a question of the test for registrability. With shapes, more than words, it is so subjective that every individual shape will be considered on its merits, and I do not think that whether these shapes are accepted or not will really be much basis to judge whether other shapes are acceptable or not.

Mr Hobbs: But what test would you be inviting me to apply? I know this is not the substantive hearing, but suppose you were arguing it .... Did you argue it in front of the Hearing Officer below?

Ms Hutchinson: Yes

Mr Hobbs: What is the argument you would urge upon the Tribunal as being the test for deciding whether an unused shape is registrable? How do you work it out?

Ms Hutchinson: That it is an original design, that it cannot be arrived at accidentally, that it is a question of construction at some level, that it is unique and is capable of distinguishing the goods of that applicant. These shapes are unique. I am not going to argue that now, but they are considered to be unique. On that basis, they should be eligible for registration. The test for registrability seems quite low in relation to many other kinds of marks but it seems to be different for shapes.

Mr Hobbs: But ask yourself, why? Because if you get a registration for a shape, it protects the article itself to a greater or lesser extent, and, therefore, it raises bigger issues of public policy, does it not, or would you agree?

Ms Hutchinson: It protects the article itself?

Mr Hobbs: Yes.

Ms Hutchinson: You can make a caramel sweet in an infinite number of different shapes. There is no reason for someone to select a shape that has been made by somebody else or

designed by somebody else. It was a circle, a simple ball or something, then perhaps there is a question there about the general trades freedom to use, but where it is something that has been designed in a special way and is unique, it seems that it should be capable of registration.

Mr Hobbs: What about this? Every shape is presumably original once when it first comes into currency, and yet, with the passage of time, you find other people using the shape and it becomes a generic shape. Does the Tribunal have to consider, whichever Tribunal that is, whether it is foreclosing on the legitimate rights of others and how does it decide that?

Ms Hutchinson: Every new mark, every new word mark, is unique when it is first invented, if you like. That prevents ..... If you register that word mark for those goods, you obstruct others from choosing that word ..... to invent that word mark in the future and use if for those particular goods. So, I am not sure I understand .....

Mr Hobbs: The question is whether there is some qualifying condition you must satisfy in order to get on to the Register in terms of distinctiveness and capacity to distinguish, and, if so, what the characteristic is.

Mr Hutchinson: That is what the Registrar is asking is decided by the court and we are asking is decided by the appointed person. It is a question of setting a standard for registrability and where it is set, and whether setting it at this level makes a difference, given that, in my view, every shape will have to be judged on its individual characteristics in the future.

Mr Hobbs: Ultimately that is true, yes.

Ms Hutchinson: I do not think it is going to set a precedent for any other shape.

Mr Hobbs: But if I apply the wrong legal test, it might do more harm than good to have it decided by this Tribunal. Tell me why I should be confident that I know what the law is and I can apply it.

Ms Hutchinson: It seems that you have as much experience in issues of registrability as a judge in the High Court is likely to have, if not more, given that the case might not be assigned to an intellectual property judge and given that registrability is not so often decided in court in the way that it is before the Registrar or at a hearing before the appointed person. I would expect that you might have more experience at that level in relation to registrability than might be the case in the court. We might actually have the wrong decision and have to appeal further simple because of the inexperience of the judge.

Mr Hobbs: Yes. What more would you like to say?

Ms Hutchinson: I did not intend to go this way at all! I think probably in discussion I have covered most of the things here. We have accepted there is no right of further appeal.

Mr Hobbs: You do not mind that.

Ms Hutchinson: We do not mind that in this particular issue. We think that the Registrar is already deciding that there are other shape marks registered. A test is being applied all the time, and it seems to be difficult for the Registrar to decide which shapes are registrable. I think it is going to be difficult for everyone to decide, at whatever level, and no doubt there will be a dispute about the decisions that are made:

Mr Hobbs: Yes, there will.

Ms Hutchinson: We think that this Tribunal, or the Hearing before the appointed person will ..... We are prepared to accept whatever decision is issued there.

Mr Hobbs: That is very flattering. Thank you.

Ms Hutchinson: We did not get notification that the appointed person considered there to be a point of general legal importance. That might just be a tiny thing. So, you did not because the Registrar had already raised the point.

Mr Hobbs: When the papers came down to me, there was a covering letter form the Treasury Solicitor indicating that the Registrar was seeking a reference to the court.

Ms Hutchinson: So we cannot draw any conclusion from the fact that you did not?

Mr Hobbs: No. I have not expressed a view on this.

Ms Hutchinson: No:

Mr Hobbs: We have had no shape cases, have we, before any of the appointed persons so far?

Mr James: No. We have only had one before the court and that was not really a shape case. It was the Flash Bottle decision.

Mr Hobbs: Is that Procter & Gamble?

Mr James: It is Procter & Gamble.

Mr Hobbs: That is on its way to the Court of Appeal, is it not?

Mr James: It is on its way to the Court of Appeal, but the shape point was never really fully aired because the applicant did not content at the hearing that the shape was distinctive, although they contended it before the Registrar, and concentrated instead on the colour combination being distinctive. So, they never really got as far as discussing the shape aspect.

Mr Hobbs: Ms Hutchinson, are you familiar with the Philips v Remington case just before Christmas?

Ms Hutchinson: No, I am sorry, I have not read it yet.

Mr Hobbs: But do you know that Jacob J decided that registration should be revoked for the

three-rotary-cutter configuration?

Ms Hutchinson: No.

Mr Hobbs: Jacob J gave a decision really on the question of distinctiveness acquired through use and also on the question of inherent registrability. So there is some guidance on these questions, but that was a question where the mark in question had been used over many years. I think I am right in saying that is definitely going on appeal and there is a possibility of a reference to the European Court of Justice as well in connection with that case.

Mr James: I would have thought that was very likely.

Mr Hobbs: Right. Is there more you would like to say to me?

Ms Hutchinson: I do not think so.

Mr Hobbs: Thank you. Mr James, is there anything you would like to add?

Mr James: I think probably the difference between the Registrar and the applicant in this case can be characterised by the fact that the applicant is essentially urging that you apply, or we apply, the same test as would be applied to a new registered design. The Registrar has adopted a higher test than that. Essentially, it is so substantially different so as to be likely for these people to assume an origin indication. Essentially, we have no evidence on the first point. We do not take any issue with that. We simply say that it does not pass the second test, which is the one we are applying.

I do not see how you can decide this without deciding which of those tests is right. Whichever way you go on that, there will be significant implications because, although every shape is clearly different, if these marks were to be accepted, it clearly would have significant implications for the standard of registrability and many other applicants would seek to follow that example, I suspect, by registering all sorts of shapes. It clearly would have significant

implications for the Registrar. It certainly is a case that if it went before the court, the Registrar would be seriously considering whether or not ..... Not only whether it should be fully argued there but whether he might even seek a reference on it.

Mr Hobbs: All right: Thank you both very much for your submissions. My conclusion is that the test for registrability in relation to unused shape marks is something upon which authoritative guidance of the courts should be appropriate at this state in the practice under the new Act. I am mindful of the fact that the Tribunal, of which I am the appointed person, sits for the purpose of hearing people's appeals on a cheap and, hopefully, cost-effective basis, but none the less, I do believe that this is a case where there is a need for authoritative guidance. So I will direct a reference to the court.

Does anybody want to say anything about costs.

Mr James: We are not seeking costs.

Ms Hutchinson: No.

Mr Hobbs: No order as to costs, then. Is there anything more? I do not think there is.

Mr James: I do not think so, Sir.

Mr Hobbs: Thank you very much indeed.