

TRADE MARKS ACT 1994
AND
THE TRADEMARKS (INTERNATIONAL REGISTRATION) ORDER
1996

IN THE MATTER OF
INTERNATIONAL REGISTRATION NO. 701260
AND THE REQUEST BY HENKEL KGaA
TO PROTECT A TRADE MARK IN CLASSES 1 AND 3

DECISION

1. This is an appeal to the Appointed Person from a decision of Anne Pritchard, acting on behalf of the Registrar dated 9th November 2001. This decision upheld a notice of refusal by the Registry to register an application for a trade mark in Classes 1 and 3 (701260) in the name of Henkel KGaA (Henkel). The mark was applied for on 18th September 1998. It is a three dimensional mark in the form of a cylindrical tablet, consisting of two layers in the colours green and white, the upper part of the mark being green and the lower part being white.
2. This application is one of several similar applications made by Henkel at around the same date and prosecution was suspended pending the outcome of an appeal in relation to International Registration 700785, another two coloured tablet. The appeal in relation to that application was heard by Geoffrey Hobbs Q.C. in his role as the Appointed Person and resulted in a Decision on 13th October 2000. Mr. Hobbs dismissed the appeal against the Registrar's refusal to register the mark and in doing so stated as follows:

“It seems to me that the tablet shape in question represents only a minor variation on a basic geometric shape. The colours have a degree of visual impact, but not to an extent that I would regard as particularly striking. There is every likelihood, in my view, that they would be taken to indicate

the presence of two active ingredients in the relevant tablets and, as a corollary to that, every likelihood that they would not be perceived as possessing significance in terms of the trade origin of the goods.

The question is whether the degree of individuality imparted to the tablets by the features of shape and colour in combination is sufficient to render them not merely distinguishable from other such goods, but distinctive in terms of trade origin.

Giving the matter the best consideration I can, I think that the appearance of the tablets put forward for registration is not sufficiently arresting to perform the essential function of a trade mark. In the absence of distinctiveness acquired through use, the mark put forward for registration was, in my view, devoid, by which I mean unpossessed, of a distinctive character, and therefore excluded from registration by section 3(1)(b) of the Act at the relevant date”.

3. Notwithstanding that rejection, Henkel pursued not only the current application but also another application, 708442 dated 15th January 1999. The registration of that application was refused by the Registry and an appeal came before me sitting as the Appointed Person.
4. In this case the mark consisted of three contrasting colours and shapes, a cylindrical tablet made up of two colours with a dome shaped addition to the top of the cylinder in the centre which was contrastingly coloured.
5. Following the approach of Mr. Hobbs I dismissed that appeal and stated

“I am no more satisfied than the Hearing Officer was that the combination of colours and shapes in a tablet of this nature would be seen by the average consumer as being indicative of anything more than the different ingredients present in the tablet in contrast, no doubt, to other tablets which did not have the benefit of three separate ingredients. I am unpersuaded that there is anything in the combination

of shape, colour and texture which will inherently suggest to the average consumer that the combination constitutes an indication of origin rather than an indication of contents”.

6. It is also to be noted that Henkel have applied for Community Trade Marks at OHIM in relation to similar marks. In particular, on 15th December 1997 an application was made for a mark substantially similar to the mark the subject of the present application. The examiner objected to the application citing Article 7, paragraph 1, letter b of Regulation 40/94, which equates to section 3(1)(b) of the Trade Marks Act 1994. This objection was upheld and an appeal was made to the Appeals Board of OHIM. That appeal was rejected in a decision of 31st September 1999.
7. Henkel exercised their rights of appeal to the Court of First Instance of the European Communities and by a judgment given on 20th September 2001 that appeal was dismissed. The reasoning of the Court of First Instance (CFI) was set out in paragraphs 43-51 of the Judgment which read, in translation, as follows:

43. *Article 7, paragraph 1, letter b of the Regulation 40/94 [GMVO] makes no distinction between the different categories of trademark. The criteria for evaluating the distinctiveness of three-dimensional trademarks which consist of the form of the goods themselves, are therefore no other than those applicable for other categories of trademark.*

44. *However, within the framework of applying these criteria, it must be considered, that in the case of a three-dimensional trademark, which consists of the form and colours of the goods themselves, perception by the market sector addressed is not necessarily the same as with a word, picture or three-dimensional trademark which does not consist of the form of the goods. While the latter trademarks are usually perceived directly by the market sectors addressed as marks indicative of origin, the same does not necessarily apply in cases in which the mark coincides with the external appearance of the goods themselves.*

45. *Regarding the perception by the market sectors addressed, the Appeals Board has correctly pointed out that the goods for which the trademark was applied in the present case, namely detergent and dishwasher agents in tablet form, are widely distributed consumer goods. The consumer sectors addressed by these goods are all consumers. The judgment of the distinctiveness of the trademark applied for must therefore rely on the supposed expectation of an average, informed, attentive and reasonable consumer (cf. In this sense, the judgments of the Court of Justice of 16 July 1998, in the case C-210/96, Gut Springenheide and Tusky, Coll 1998, I-4657, marginal numbers 30 to 32).*
46. *Perception of the trademark by the market sectors addressed is initially influenced by the level of attention of the average consumer, which may be of a different level depending on the type of goods or services involved (cf. judgment of the Courts of Justice of 22nd July 1999, in the case C-342/97, Lloyd Schuhfabrik Meyer, Coll. 1999, I-3819, marginal number 26). In this context, the Appeals Board has correctly presented the view that the level of attention of the average consumer with reference to the form and colours of detergent and dishwasher agents, which represent consumer goods of daily use, is not high.*
47. *To judge whether the combination of form and colouring of the contested tablets can be perceived in the market as indicative of origin, the overall impression created by this combination must be examined (cf. in this sense, the judgment of the Court of Justice of 11th November 1997 in the case C-251/95, SABEL, Coll. 1997, I-6191, marginal number 23), which is not incompatible with the consecutive examination of the individual design elements used.*
48. *The three-dimensional form, for which registration has been applied, that is the form of a round tablet, must be considered as a basic geometric form and represents an obvious form for detergent and dishwasher agents.*
49. *Regarding the presence of two layers, a white and green layer, the market sectors addressed are familiar with the presence of multiple-coloured components in cleaning*

agents. Powders, which represent the conventional form of presentation for these goods, are generally grey or light beige and create an almost white impression. They often contain particles of one or more other colours. The plaintiff and the other cleaning agent manufacturers state in their advertisements that these particles embody the presence of various active ingredients. The coloured particles therefore indicate given properties of the goods, but cannot therefore be regarded as descriptive particulars in the sense of Article 7, paragraph 1, letter c of Regulation 40/94 [GMVO]. However, merely because this obstacle to registration does not apply, it cannot be inferred, that the coloured components of the trademark applied for necessarily provide distinctiveness. Indeed distinctiveness must be denied if, as in the present case, the sectors of the market addressed are induced to understand the presence of coloured elements as an indication of given properties of goods and not as an indication of their origin. The mere possibility that consumers become accustomed to recognising goods by their colours is not sufficient to remove the obstacle to registration provided by Article 7, paragraph 1, letter b of Regulation 40/94 [GMVO].

50. The circumstance that in the present case the coloured particles are not distributed uniformly over the whole tablet, but are concentrated in its upper part, is insufficient [as a justification] for the assumption that the outer appearance of tablets can be taken as an indication of the origin of goods. In the case of a combination of various substances in a detergent or dishwasher agent in tablet-form, the addition of a layer represents one of the most obvious solutions.

51. As a result, the three-dimensional trademark applied for consist of a combination of obvious designs which are typical for the goods in question.

8. It can be seen from this citation that the CFI approached the question of distinctiveness of a three dimensional trade mark in substance no differently from the approach to other categories of trade marks and cited the now well known cases of *Gut Springenheide*, *Lloyd Schuhfabrik Meyer*, and *Sabel*. The approach

of the CFI is, I believe, no different from the approach adopted by Mr. Hobbs and me in our respective decisions on the earlier marks referred to above.

9. By notice dated 26th November 2001, Henkel appealed from the Judgment of the CFI to the Full Court of Justice (ECJ) and in particular relied in their grounds of appeal upon the Judgment of the ECJ in the case *Procter & Gamble –v- OHIM* (2002) E.T.M.R. 22 (the *Baby-Dry* case). The Judgment of the ECJ in that case was by coincidence was given on 20th September 2001, the same day as the Judgment of the CFI was given in the Henkel CTM case. The Judgment in the *Baby-Dry* case was accordingly not cited in the course of argument before the CFI. It is apparent from reading a translation of the Notice of Appeal to the ECJ that Henkel will contend that the decision in the *Baby-Dry* case is of far reaching effect so as to make the approach of the CFI and, equally, of Mr. Hobbs and me, erroneous.

Stay pending Judgment from the ECJ

10. The primary submission before me on this appeal by Mr. McCall of W.P. Thompson & Co. acting on behalf of Henkel, was that I should stay this appeal pending resolution of the appeal to the ECJ in the Henkel CTM case. He drew my attention to the first recital to Council Directive 89/104, which underlies the 1994 Act, which indicates the desire to harmonise the national laws of trade marks. He also drew my attention to equivalent provisions in Council Regulation 40/94 establishing the Community Trade Mark to those which exist under National law. In particular he correctly drew my attention to the fact that section 3(1)(b) and article 7(1)(b) of Regulation 40/94 are to like effect. He also drew my attention to the fact that he was instructed by his clients that similar cases to the present one had been suspended in Greece, Sweden and Germany pending the outcome of the Appeal to the Court of Justice.
11. He urged upon me the fact that his client had no recourse to a further appeal should I dismiss the current appeal and that this, if subsequently shown to be in error, would do an injustice to his clients who would lose the priority date of their present application.

12. He was however unable to say when it was that the appeal might be heard. The best indication he had was that the oral proceedings might be conducted early next year. Thereafter there will be an opinion from the Advocate General and subsequently a Judgment. Recent experience in relation to the reference from the Court of Appeal in this country to the Court of Justice in the *Philips v. Remington* case is not encouraging. There, the Advocate General gave his opinion in January 2001 and the Judgment of the Court is still awaited. I must therefore approach this application for an adjournment on the basis that there will be an adjournment for a significant period of time.
13. This contrasts with a decision in the High Court recently by Jacob J. in an appeal from the Registry in opposition proceedings relating to the shape of the Vienetta ice-cream (Applications 2000661 and 2000662 by Unilever plc. Oppositions by *Societe de Products Nestlé SA*).
14. In that case Jacob J. did grant a stay of the appeal pending the giving of judgment by the Court of Justice in the *Philips –v- Remington* matter. As I understand it he expected that decision to be given in the near future and therefore only a short adjournment was being contemplated.
15. Mr. James, who appeared for the Registrar opposed the application for a stay in this case. He drew my attention to the fact that the appeal to the ECJ in the Henkel CTM case was a unilateral appeal by Henkel and was not by way of reference from one of the National Courts. He suggested that therefore it could not be presumed that a point of law of general application was going to be decided. He also drew my attention to the fact that the harmonisation sought was a harmonisation of law and not a harmonisation of the systems of granting trade marks in the various offices. Whilst therefore decisions relating to the CTM would be of considerable persuasive authority, they would not be binding upon me. More importantly he drew my attention to the undesirable consequences of delay over an uncertain period and to the likelihood, if a stay were to be granted in this case, that the granting of stays in circumstances such as these would become the norm leading to considerable uncertainty and, as he put it, a log-jam in the Registry.

16. As I see it, in considering whether or not to grant a stay, I must have regard to all the circumstances of the particular case. In particular I must have regard to the prejudice to the Appellant if the appeal were to be dismissed and subsequently the law were to be clarified in a way which showed that the dismissal was erroneous. I must have regard to the interest of third parties in ascertaining the validity or otherwise of applications for registration at an early date so that commercial decisions can be made on an informed basis. I must have regard to the period of delay and, perhaps most important, I must have regard to the significance of the question of law that is to be decided. Where the question is one which has been formulated by a national Court and considered to be necessary for a decision in national litigation, the arguments in favour of a stay will be considerable if the same or a related question arises in the subsequent case. Where however the question of law is not formulated in that way but arises in an appeal from OHIM in my judgment less weight should be given to the fact that there is an appeal pending.
17. In the present case it is to be noted that the same question of law as now arises on this appeal, and which arises on the appeal to the ECJ arose in both the appeals to the Appointed Persons referred to above. In neither of those appeals nor in the current appeal was a request made for a question of law to be referred to the ECJ.
18. As I have indicated in previous appeals, I do not rule out the possibility that an appointed person might make a reference to the ECJ but I anticipate that if the point of law were of sufficient difficulty, it is likely that the appointed person would first refer the appeal to the High Court pursuant to section 76 (3) of the Act for that court to consider whether a reference should be made.
19. The fact remains however that in the present and previous proceedings no such point of law has been identified. Similarly it appears from the Judgement of the CFI in the Henkel CTM case that that court did not find that any novel and unanswered question of law arose.

20. Taking all these matters into account, I have concluded that the interests of Henkel in maintaining this application in existence pending the outcome in the Court of Justice on the Henkel CTM appeal are outweighed by the public interest in achieving certainty with respect to this mark, by the uncertainty in relation to the timing of any judgment by the ECJ and by the fact that there has, up to now, been unanimity in the approach of the tribunals in this country and of the tribunals considering the Community Trade Marks. In reaching this conclusion I have taken into account the fact that if the appeal to the ECJ were to be allowed, the Henkel CTM mark would be registered and have an earlier priority date than the application before me on this appeal.
21. I therefore refused a stay and directed that the appeal should be heard.

The Substantive Appeal

22. Mr. McCall accepted that, but for the Baby-Dry decision, there would be no prospect of this appeal succeeding having regard to the views already expressed by Mr. Hobbs and me in the earlier appeals and because of the consistency of approach of the CFI.
23. He however contended that the reasoning in the Baby-Dry decision was as applicable to a 3-dimensional mark as it was to a potentially descriptive mark and that the decision had, as he put it, moved the goal posts in relation to consideration of whether or not a mark was devoid of distinctiveness and therefore unregistrable having regard to the provisions of section 3(1)(b).
24. It was common ground on this appeal that 3-dimensional marks should be considered in no different respect to word marks. The question is how one approaches answering the question of whether or not a 3-dimensional mark is devoid of distinctive character.
25. The relevant portions of the Baby-Dry judgment read as follows:

35. Under Article 7(1) of Regulation No. 40/94, trade marks are not to be registered if they are devoid of distinctive character (sub-paragraph (b)) or if they consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended

purpose, value, geographical origin, time of production of the goods or of rendering of the service, or other characteristics of the goods or service (subparagraph (c)).

36. Under Article 12 of Regulation No. 40/94, the rights conferred by the trade mark do not entitle the proprietor to prohibit a third party from using, in the course of trade, indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or the time of rendering the service, or other characteristics of the goods or service, provided he uses them in accordance with honest practices in industrial or commercial matters.

37. It is clear from those two provisions taken together that the purpose of the prohibition of registration of purely descriptive signs or indications as trade marks is, as both Procter & Gamble and the OHIM acknowledge, to prevent registration as trade marks of signs or indications which, because they are no different from the usual way of designating the relevant goods or services or their characteristics, could not fulfil the function of identifying the undertaking that markets them and are thus devoid of the distinctive character needed for that function.

38. That interpretation is the only interpretation which is also compatible with Article 4 of Regulation No. 40/94, which provides that a Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

39. The signs and indications referred to in Article 7(1)(c) of Regulation No. 40/94 are thus only those which may serve in normal usage from a consumer's point of view to designate, either directly or by reference to one of their essential characteristics, goods or services such as those in respect of which registration is sought. Furthermore, a mark composed of signs or indication satisfying that definition should not be refused registration unless it comprises no other signs or indications and, in addition, the

purely descriptive signs or indications of which it is composed are not presented or configured in a manner that distinguishes the resultant whole from the usual way of designating the goods or services concerned or their essential characteristics.

40. As regards trade marks composed of words, such as the mark at issue here, descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form. Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark.

41. It is true that Article 7(2) of Regulation No. 40/94 states that Article 7(1) is to apply notwithstanding that the grounds of non-registrability obtain in only part of the Community. That provision, which was rightly cited at paragraph 24 of the contested judgment, implies that, if a combination of words is purely descriptive in one of the languages used in trade within the Community, that is sufficient to render it ineligible for registration as a Community trade mark.

42. In order to assess whether a word combination such as BABY-DRY is capable of distinctiveness, it is therefore necessary to put oneself in the shoes of an English-speaking consumer. From that point of view, and given that the goods concerned in this case are babies' nappies, the determination to be made depends on whether the word combination in question may be viewed as a normal way of referring to the goods or of representing their essential characteristics in common parlance. (underlining added).

26. Mr. McCall particularly drew my attention to the words in paragraph 37

“To prevent registration as trade marks of signs or indications which, because they are no different from the usual way of designating the relevant goods or services or

their characteristics, could not fulfil the function of identifying the undertaking that markets them

27. He suggested that this represented a far more lenient test than that applied by Mr. Hobbs and me.
28. Mr. James on the other hand contended that the Baby-Dry Judgment had not altered the existing test and that to take the words in paragraph 37 out of context would be to create an unjustifiable tension between those words and the existence of the proviso to section 3(1)(b) which provides that where a mark is inherently devoid of distinctive character it can nonetheless be registered if, in consequence of use, distinctiveness in fact has been achieved. Mr. James contended that if Mr. McCall's submissions were carried to their logical conclusion any mark which could by use become capable of distinguishing would be a mark that "could fulfil the function of identifying the undertaking that markets them".
29. I do not read Baby-Dry in the way that Mr. McCall does. I think it is necessary to have regard to the whole of the passage that I have set out above and in particular to have regard to the conclusion in paragraph 42 which requires that
"The determination to be made depends on whether the word combination in question may be viewed as a normal way of referring to the goods or of representing their essential characteristics in common parts".
30. I do not see that to approach the matter in this way is in any respect at variance with the approach laid down in the cases referred to by the CFI in their judgment in the CTM Appeal (Gut Springenheide, Lloyd Schuhfabrik Meyer and Sabel) or indeed the approach of that court as set out in paragraphs 43-51 of their Judgment referred to above. The question is one of fact and degree.
31. In the case of Baby-Dry, the ECJ was of the opinion that the word combination in question there (Baby-Dry) had a syntactically unusual juxtaposition, so as, in combination, to be inherently sufficiently distinctive.

32. However each case must be decided upon its own facts. On the facts of the present case, the Hearing Officer, not surprisingly in the light of the previous decisions of the Appointed Persons, came to the conclusion

“The public are well used to seeing coloured tablets of this sort of shape, at best it might be a slight variant on other such tablets but to my mind there is nothing memorable or distinctive about it. I do not see that there is anything in the shape or colour combination of this table that would serve to distinguish the goods of the holder from those of other traders”.

33. Notwithstanding the submissions of Mr. McCall, I am wholly satisfied this conclusion was correct. The two colours are likely to indicate to the relevant public the presence of two active ingredients. Only by education could the public come to regard the colour combination as being distinctive of goods coming from one undertaking. As at the date of application this mark was unused and thus the public had not had that education.

34. In my judgment the decision of the Hearing Officer that registration of this mark would be contrary to section 3(1)(b) was entirely correct, notwithstanding the fact that she did not have the benefit of the argument that I have had based upon the Baby-Dry case. For the reasons given I do not believe that the Judgment in that case undermines the reasoning and approach of the Hearing Officer.

35. The appeal will therefore be dismissed. In accordance with the usual practice there will be no order as to costs.

Simon Thorley Q.C.
9th April 2002