

O-051-04

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2186991  
BY KABUSHIKI KAISHA YAKULT HONSHA  
TO REGISTER A TRADE MARK IN CLASSES 29, 30 AND 32**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 50503  
BY MALAYSIA DAIRY INDUSTRIES PTE LIMITED**

## TRADE MARKS ACT 1994

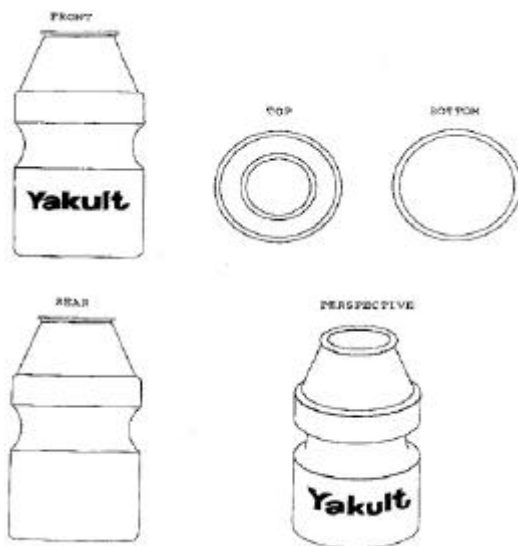
**IN THE MATTER OF Application No. 2186991  
by Kabushiki Kaisha Yakult Honsha  
to register a Trade Mark in Classes 29, 30 and 32**

**and**

**IN THE MATTER OF Opposition thereto  
under No. 50503 by Malaysia Dairy Industries Pte Limited**

## BACKGROUND

1. On 25 January 1999 Kabushiki Kaisha Yakult Honsha applied to register the following trade mark in Classes 29, 30 and 32:



### **Mark description:**

The mark consists of a three-dimensional shape with a word appearing on it.

2. Registration was sought in respect of the following specifications of goods:

### **Class 29:**

Milk, yoghurt, fermented milk, fermented milk beverages, milk beverages and other dairy products.

### **Class 30:**

Coffee, tea, cocoa, chocolate.

**Class 32:**

Mineral water, aerated water, fruit juices, vegetable juices, soft drinks.

3. The application was accepted by the Registrar and published in the Trade Marks Journal.

4. On 8 December 1999 Malaysia Dairy Industries Pte Limited filed Notice of Opposition against the application. In summary the grounds of opposition were, that unless the mark qualifies for registration because of the presence of the word YAKULT, the mark does not qualify:

(i) Under Section 3(1)(a), (b) and (c) of the Act because the three dimensional shape is not capable of distinguishing the goods of the applicant from those of other undertakings as it merely consists of the shape of an ordinary container which is identical or similar to other containers, is devoid of distinctive character and consists exclusively of a sign or indication which may serve in trade to designate a characteristic of the goods, being an ordinary shape of a container in which goods may be sold;

(ii) Under Section 3(2)(a) of the Act because the mark consists exclusively of the shape which results from the nature of the goods themselves;

(iii) Under Section 3(2)(b) of the Act as the mark consists exclusively of the shape of goods which is necessary to obtain a technical result;

(iv) Under Section 3(2)(c) of the Act because the mark consists exclusively of the shape which gives substantial value to the goods;

(v) Under Sections 5(1) and 5(2) of the Act because the mark applied for is identical or similar to the earlier trade marks of the applicant set out at Annex One to this decision, which have been applied for in respect of identical or similar goods and there is a likelihood of confusion on the part of the public. Of the marks listed by the opponent applications 1352760, 1352761, 1559532 and 1559533 have been refused registration and Annex One consequently just lists applications 2124031 and 2174691.

5. The applicant filed a Counterstatement denying the grounds of opposition. Both sides filed evidence and have asked for an award of costs in their favour. The matter came to be heard on 16 and 17 December 2003 when the applicant for registration was represented by Ms McFarland and Mr Pritchard of Counsel instructed by Wragge & Co and Forrester Ketley & Co and the opponent by Mr Kitchen QC and Mr Tappin of Counsel instructed by Clifford Chance and Frank B Dehn & Co.

**Opponent's Evidence**

6. The opponent's evidence consists of five witness statements, one each by Alan John Wicken, John Michael Williams, Lim Choo Peng, Anthony Harold Gregory and Graham Peter Henry Hinton.

7. Mr Wicken's statement is dated 17 August 2001. He explains that he is an independent research consultant experienced in the design and interpretation of surveys of the public for legal purposes, especially trade mark applications and objections to them. His curriculum vitae is at Exhibit AJW1 to his statement.

8. Mr Wicken states that in July 2001, he was asked by Clifford Chance LLP, solicitors for Malaysian Dairy Industries Pte Limited (the Opponent in these proceedings), to commission on their behalf a survey of the public. This survey was to be based on the General Omnibus Survey run each week by the market research company Taylor Nelson Sofres RSGB, ("RSGB"). Mr Wicken explains that the purpose of the Opponent's Survey was to estimate the extent to which a mark, consisting of a graphical representation of a bottle in which Yakult, a fermented milk drink, is sold, is associated by the general public with the name "Yakult".

9. Mr Wicken refers to Exhibit "AJW2", to his declaration which comprises a copy of RSGB's report, containing the detailed results of the Opponent's Survey. This includes a copy of the representation of the mark shown to the respondents in the survey (Exhibit AJW2) and at the Exhibit marked "AJW3", is a copy of Mr Wicken's summary of the results. Mr Wicken's conclusion is that not less than 11% and not more than 17%, most probably about 14%, of the adult general public of Great Britain associate the representation of the bottle with the name "Yakult". He goes on to explain that the Opponent's Survey only tested association in the minds of members of the public between the representation of the bottle shape and the name "Yakult" and he states that at 14%, the level of this association is low compared to the results he has found in similar surveys. He adds that if the results of the Opponent's Survey were to be used to consider whether those members of the public recognised the representation as a trade mark, then in his view these results should be construed as the upper limit of any such recognition level.

10. Mr Wicken goes on to explain that he was further asked by Clifford Chance LLP to consider and comment upon the results of a survey on the same subject carried out by RSGB for Yakult (UK) Limited in July 1997 (the "Applicant's Survey"). He refers to the Statutory Declaration of Sarah Jane Leno sworn on 9 April 1999 and filed by Kabushiki Kaisha Yakult Honsha (the Applicant in these proceedings) in support and states that he has read the Statutory Declaration of Sarah Jane Leno dated 5 November 1997 and Exhibits SLJ1 to SLJ4 thereto. These documents give details of the Applicant's Survey. Mr Wicken states that although the Statutory Declaration of Sarah Jane Leno dated 5 November 1997 contained reference to an omnibus survey involving 2000 adults interviewed at 130 sampling points around the country, the results displayed in Exhibit SJL3 refer only to the results of questions put to 559 respondents in London and the South of England. Results of the questions put to respondents in other parts of the country are not reported. He adds that the results of the questions asked in London and the South were construed by Ms Leno as showing that 38% of the sample were able to look at an unbranded bottle shape and identify it with the trade mark "Yakult".

11. Mr Wicken explains that in considering the difference between that figure and the result of 14% found in the Opponent's Survey (or the figure of 18% if the results of the Opponent's Survey for London and the South alone are considered) several factors must be taken into account, including:

- “(a) The figure of 38% related to the question: “What brand or product is it?” whereas the figure of 14 (or 18%) related to the question: “Can you name any brands of fermented milk which are sold in a container that looks like this?” The brand or product to which the former question referred was introduced in a preceding question: “... We have an actual pack to show you. This is a product which you may or may not have seen before. It comes in a pack this shape and size, but of course it would have a name and description on it. Do you recognise this as a product that you have seen before?” “Warm-up” questions such as this can have an effect upon the answer given by the interviewee. For example, they may cause the interviewee’s attention to be drawn closely to the product being shown. This prior question concerning previous acquaintance with the product could, therefore, have contributed to the difference in the number of people who were able to name “Yakult” as the brand.
- (b) Another factor is that the introductory question was itself preceded by two questions concerning the Coca-Cola bottle, which could also have affected the figure of 38%. These questions may have led the respondents to form assumptions about the nature of the survey being conducted or may have caused them to consider matters or issues that they would not otherwise have considered when answering the subsequent questions.
- (c) In addition to the question of whether the figure of 38% overestimated what the survey sought to measure because of the sequence of questions, the formulation of the question itself was severely flawed. The figure of 38% resulted from a question which referred to a “brand or product”, “product” having been described in the previous question as coming in a “pack this size and shape” and the product itself having been shown to the respondents. The 38% recognition level relied upon by the Applicants can only be taken, therefore, as referring to the actual packaging and contents of the packaging as a hybrid entity (which would have included indications as to the size of the bottle, the colour of the packaging, the type of material from which the bottle was manufactured, and some information as to the nature of the liquid inside the bottle). It cannot be considered as the recognition level relating to the shape of the bottle alone.
- (d) This in turn leads to the question of the appropriateness of the choice of what was to be shown to respondents for recognition. It appears from the documents contained within Exhibit SJL1 that it was an anonymised Yakult bottle which contained the fermented milk drink rather than a copy of the representation of the mark being applied for. This must invalidate the results of the survey, whatever they might be.”

12. Mr Wicken goes on to say that in paragraph 10 of her Statutory Declaration, Ms Leno states that “amongst the respondents with previous awareness of the product, 57% recognised the shape of the bottle and identified it as “Yakult” or attempted “Yakult” and of those that had tried the product, 76% were able to recognise the shape as that of “Yakult” or attempted “Yakult”. He adds that, these calculations are based only on a base of those people with previous awareness or

experience of the product and these figures cannot, therefore, represent a general level of association by the public between the shape of the bottle and the name “Yakult”. Turning to paragraph 11 of the Statutory Declaration Ms Leno states that “81% of respondents say there was nothing else on sale in the UK in a pack of the same shape, and 88% indicated that they would recognise the pack if they saw it again”. Mr Wicken points out that neither of the questions which were asked relate to the question of association between the bottle shape and the name Yakult and, therefore, neither of these figures is comparable with the figure of 87% for association of an unbranded bottle with COCA-COLA which she cites by way of comparison. Going on to refer to paragraph 13 of Ms Leno’s Statutory Declaration, 100% distinctiveness is claimed for the YAKULT bottle shape on the basis of the 38%, the 81% and 88% mentioned above. Mr Wicken states that in the absence of any indication of how these three percentages can be combined to get 100% distinctiveness in fact, he is unable to follow her reasoning.

13. John Michael Williams’ witness statement is dated 10 August 2001. Mr Williams is Senior Consultant of Packaging Management Group, a specialist advisory company dedicated to all aspects of product packaging. Mr Williams provides information in relation to his background, expertise and experience in relation to packaging and retailing. He states that he has been asked to comment on the shopping habits of retail customers and to explain the extent to which customers use the shape of a product’s packaging to identify the goods of a particular manufacturer. He adds that in general, customers do not associate particular packaging shapes with one particular product or manufacturer but rely on packaging shapes to provide them with information regarding the type of product or its characteristics and then use brand names or logos to help them identify a specific product or goods of a particular manufacturer.

14. Mr Williams goes on to state that although it is generally the case that customers do not use the shape of products or their packaging to identify a particular brand of product, there are a small number of exceptions e.g. the Coca Cola bottle. This comprises unusual and well known shapes. Turning to the mark in suit, Mr Williams says that, in his view, there is nothing distinctive about the shape of the bottle (which is common in the drinks sector and appears to be driven by functional considerations). He sees nothing in the shape of the bottle to suggest that it would be viewed by the customer as identifying a particular brand of product rather than merely a product type. Mr Williams goes on in Exhibits JMW7 and JMW8 to his statement, to draw attention to other drink products in containers which he states are similar to the “Yakult” product. He adds that the shape of the bottle is dictated by function e.g. there is a recess on the bottle to give it rigidity and to allow the user to grip the bottle when drinking from it.

15. Lim Choo Peng is General Manager of Malaysia Dairy Industries Pte Limited (MDI) the opponent. His statement is dated 14 August 2001.

16. Mr Peng comments on certain technical aspects of the production, filling, printing and sealing of bottles of MDI’s product called VITAGEN and of the nature of the product sold in those bottles. He states that the processes and design of both the VITAGEN and YAKULT bottle (the mark in suit) are governed by technical and functional considerations which he goes on to detail. Mr Peng says that this explains the similarities in the bottles, including the “recess”.

17. Anthony Harold Gregory's witness statement is dated 11 August 2001. Mr Gregory is principal consultant of Pac-Tech Packaging Consultancy which specialises in providing advice on technical aspects of packaging. He details his background, experience and qualifications.

18. Mr Gregory states that each of the features contained in the mark in suit are there for a technical or functional purpose. In relation to "the curved recess or waist", Mr Gregory states that this is a common feature on plastic bottles within the drinks sector (Exhibit AHG4 to his statement refers) and he adds that this feature: gives strength to the bottle by making it more rigid to resist lateral forces; improves the top to bottom compression strength or "top load" resistance of the bottle; enables the bottle to resist any tendency to "body wall panelling" ie. distortion resulting from the absorption of gases in the air space between the top of the liquid and the bottle; the improved rigidity assists with printing information on the bottle; it assists with the filling and packing of the bottle and it assists the consumer in handling the bottle.

19. Turning to the "cylindrical shape" of the bottle, Mr Gregory states that this is the most efficient shape in terms of raw material usage and also results in a lower surface area-to-volume ratio for a given capacity.

20. In relation to the "shoulder of the bottle", Mr Gregory states that the acute angle of taper of the shoulder assists the compression strength of the container, assists with pouring the contents of the bottle and can also assist in counteracting excess foaming of the product during the filling process.

21. On the "neck opening of the bottle" Mr Gregory states that the diameter of the neck opening is relatively large to the diameter of the bottle which assists with pouring and filling, but it is not wide enough to risk spillage. It represents a functional compromise. Mr Gregory adds that the "ridge or platform and collar" at the lower end of the shoulder stiffens the body wall to improve top to bottom compression performance and provides lateral strength.

22. Mr Gregory goes on to state, that in his view, that there is nothing distinctive about the mark in suit, having regard to other bottle designs on the market at the relevant date. In support he refers to Exhibits AHG5, AHG6 and AHG7 to his statement.

23. Graham Peter Henry Hinton's statement is dated 21 August 2001. Mr Hinton occupies a number of different positions in the advertising industry, including those of managing partner in two of his own businesses. He details his background, experience and expertise in the advertising field.

24. Mr Hinton comments on the nature of the applicant's advertising for the fermented milk drink sold under the name YAKULT. Mr Hinton considers specific advertisements of the applicant in the national press in October 1996 (Exhibit GPHH1 to his statement) and concludes that in relation to the bottle, only its size is emphasised as a distinguishing element. He states that while each advertisement contains a picture of the bottle in which the product is sold he adds that it is standard practice for an advertiser to show his product to encourage recognition when it appears on the supermarket shelf.

25. Mr Hinton goes on to refer to other specific promotional material, product literature, point of sale material, press advertising, consumer literature and television advertising and concludes that while there are a number of references to the size of the bottle, there is a complete absence of any other attempt to draw attention to the bottle or suggest distinctiveness in any other way such as shape.

26. In Mr Hinton's view the message being given to the consumer is: the product name – Yakult; that the product contains live (friendly) bacteria; and that the product has health benefits. Mr Hinton adds that advertisers are always rigorous in their promotion of a distinctive or exclusive feature, particularly in the look of a product which will distinguish it at the point of sale. On this point Mr Hinton goes on to provide a number of examples of advertising materials for third party products which draw attention to the shape of the product or its packaging.

### **Applicant's Evidence**

27. The applicant's evidence comprises two declarations, one each by Yoshinori Kuroda and Professor Leslie de Chernatony, and three witness statements, one each from Sara Jane Leno, Professor Penny Sparke and Christopher de Gylpyn Benson.

28. Yoshinori Kuroda's declaration is dated 21 February 2002. Mr Kuroda is Managing Director of Yakult Europe B.V. (YE), the applicant company.

29. Exhibit YK2 to Mr Kuroda's declaration comprises a copy of his supporting declaration of 9 April 1999, together with its exhibits, filed in relation to Application No. 2179331 an application for the container device contained in the mark in suit which proceeded to advertisement on the basis of distinctiveness acquired through use and survey evidence. He confirms that the first use of the mark in suit in the UK commenced with the first shipment to distributors in March 1994 and that use has been continuous since that date. Mr Kuroda refers to the turnover and advertising figures stated in his declaration of 9 April 1999:

a) **Turnover**

<b>Year</b>	<b>Total Bottles</b>	<b>Amount (£)</b>
1994	780,426	388,640
1995	1,014,132	714,000
1996	9,120,132	3,257,000
1997	20,096,359	7,177,000
1998	32,821,816	11,722,000

b) **Advertising Expenditure**

<b>Year</b>	<b>Ad. Spend (£)</b>	<b>Media Used</b>	<b>Total Audience</b>
1996	2,350,000	TV, Newspapers and magazines	27 million +



1997	1,432,000	TV, Newspapers and magazines Radio & Transport	27 million +
1998	1,613,000	TV, magazines	38 million +

30. Mr Kuroda goes on to provide details of turnover and advertising after the date of application ie. for 1999 and 2000 which demonstrate an increase in sales and advertising expenditure.

31. Mr Kuroda states that the shape of the bottle which is present in the mark in suit is featured prominently in all advertising and often a picture of an individual bottle is shown in addition to a pack shot as shown, he states, in Exhibit YK11 to his earlier declaration. Mr Kuroda also refers to Exhibit YK4 to his declaration which consists of a copy of a statutory declaration of Marie Pauline Luger dated 11 October 2000 in which Ms Luger, a former public relations manager of the applicant states that advertisements shown in Exhibit MPL2 to her declaration allude to the “waisted” shape of the Yakult bottle as being akin to the female form. Mr Kuroda goes on to mention specific examples of advertising containing “shots” of the bottle e.g. the so-called “Katie” advertisement where Katie talks to the bottle and in the advertisement where a trader is talking on the telephone about “billions”, in reply the bottle is held upwards.

32. Professor Leslie de Chernatony’s declaration is dated 20 February 2002. He is Professor of Brand Marketing and Director of the Centre for Research in Brand Marketing at the University of Birmingham. The professor details his qualifications, background and experience in the field of brand marketing.

33. The professor explains that prior to being asked to assist in this matter he had no awareness of Yakult. His first impressions of the Yakult container were that he had never seen anything like it before, in particular the shape and size were unusual. Professor de Chernatony states that drawing on his expertise in brand marketing and having considered the applicant’s marketing and promotional material he firmly believes that the Yakult container distinguishes the Yakult product and is distinctive as a badge of origin. The professor goes on to comment upon the way consumers use brand information to evaluate and recognise different brands. He states that the product category in question induces a low level of customer involvement in that the customer search for information about competing brands is limited and successful brands make a low number of claims in their advertising. The professor states that packaging for low involvement brands performs a number of roles ie. alerts customers to the product category of interest, helps a brand stand out from competing brands, reminds a consumer of the brand’s benefits, re-enforces the brand’s values. He goes on to consider the above points in some detail.

34. Next, Professor de Chernatony addresses the applicant’s “brand building” in relation to the mark in suit and concludes that integrated marketing communications (advertising, sampling, PR etc) has been used to educate customers that the distinctive Yakult container represents the brand’s badge of origin. In the professor’s view the container is a feature within the advertising and advertising has been used effectively to nurture the distinctiveness of the container.

35. The professor goes on to address the decision of Laddie J in Yakult Honsha KKs Trade Mark Application [2001] RPC 39 and adds that three new pieces of information are now being put forward in these proceedings to support the distinctiveness of the YAKULT container and I quote:

“Firstly, the evidence that was originally presented did not include anything on the information processing model of consumer behaviour, nor then show its application to the Yakult container through in-store visits or a review of the chronological investment in promotional activities to nurture the distinctiveness of the Yakult container.

Secondly, the evidence previously presented was based on trying to draw inferences from a plethora of product categories, rather than specifically focusing on the relevant drinks sector (as will be shown when each of the expert witness statements are reviewed).

Thirdly, the Yakult container was considered away from its in-store context; no consideration was taken of the chronological brand building activities and the evidence presented appears to assume that an atomistic approach was being used by consumers (hence the experts’ attention to the functional form issues), when a holistic information processing approach is more representative of in-store behaviour.”

36. Turning to the evidence of the opponent, Professor de Chernatony criticises the evidence of Mr Hinton, Mr Williams and Mr Gregory and Mr Wicken.

37. In conclusion the professor states that the marketing behind the Yakult brand has nurtured the distinctive nature of the Yakult container shape in the minds of the consumer and that the reasonably well informed and circumspect consumer would instantly relate the Yakult bottle with the Yakult brand. He states that a timed approach has resulted in a notable integrated marketing communications investment, which has step by step continually enhanced customers’ knowledge about the brand and tied a low number of brand benefits to the distinctive Yakult container. Consumer bonding with this brand has been strengthened through the advertised association between the bottle and the shape of the healthy human body. Through seeing the Yakult container, customers are able to make a holistic assessment of the brand resulting in an informal purchase in store.

38. Sara Jane Leno is a trade mark agent with Forrester Ketley & Co, the applicant’s professional advisors in these proceedings. Her witness statement is dated 25 February 2002.

39. Ms Leno is highly critical of the opponent’s introduction of expert evidence into these proceedings. She is critical of Mr Gregory’s evidence as it “dissects” the bottle rather than considering its shape as a whole and she goes on to state that the examples he provides of similar bottles are entirely different. Turning to Mr Williams’ evidence, Ms Leno states that he is merely expressing an individual view and she adds that in regard to Mr Hinton’s evidence, none of it is based on his area of expertise which appears to be automotive products.

40. Ms Leno goes on to consider the evidence of Alan John Wicken and states that she is familiar with the nature of the General Omnibus Survey. Ms Leno notes that the opponent

concedes that “most probably about 14% of the adult general public of Great Britain associate the representation of the bottle with the name “Yakult””.

41. At Exhibit SJL3 to her statement Ms Leno produces the tabulations for the survey conducted in July 1997 for the areas throughout the United Kingdom in which the survey was conducted. Each survey was representative of the UK population in 130 sampling points nationally. Ms Leno states that it can be seen at SJL3, from the tabulations entitled “Yakult pack recognition research”, that on the chart entitled “Recognition of Yakult pack in the South East” 38% recognise Yakult. She adds that it is a misnomer to refer to what was shown to the respondents as “Yakult pack”, suggesting that a pack of seven bottles was shown to them. She says that as can be seen from the chart entitled “Objectives” they were shown “the unbranded Yakult pack” meaning the “anonymised” bottle to which Mr Wicken makes reference. Ms Leno does not agree that the results of the survey would have been affected by showing respondents “an anonymised Yakult bottle ..... rather than a copy of the representation of the Mark applied for”.

42. Professor Penny Sparke’s declaration is dated 20 February 2002. She is Professor of Design History and Dean of the Design Faculty at Kingston University.

43. Professor Sparke explains that she is the same Professor Sparke who gave evidence on behalf of the applicant in connection with their previous trade mark applications (Nos. 1560017 and 1560018) specifically in relation to the applicant’s appeal to the High Court heard by Mr Justice Laddie on 5 March 2001. She then refers to Exhibit PS1 to her declaration which is a copy of her first expert report dated 12 October 2000, made for the purpose of those proceedings. The professor states that she stands by her first report in which she opined that the YAKULT bottle is distinctive and memorable which arises from a number of factors taken in combination with each other, namely: the indented “waist”; the indentation at the base of the neck and the slope of the neck; the length of the neck section above the indentation in relation to the length of the lowest section below the indentation; the collar around the aperture; the ratio of the length of the bottle to the diameter and the fact that the bottle as a whole has a strong anthropomorphic quality ie. it is body shaped.

44. Professor Sparke goes on to criticise the evidence of Mr Gregory and states that in her view there is no need for a sign to have “capricious addition” in order to function as a trade mark as products can be functional and symbolic at the same time.

45. Christopher De Gylpyn Benson’s statement is dated 22 February 2002. He is a partner of the firm Wragge & Co, solicitors for the applicant.

46. Mr Benson has been involved in a number of registered design and trade mark proceedings between the applicant and opponent and he states that he makes this statement to draw attention to a number of facts and matters which the applicant believes relevant to the issues in the opposition, in particular on whether the applicant has had the bona fide intention to use its earlier marks.

47. Mr Benson refers to registered design proceedings issued in the High Court in 1978 which were settled by way of a Settlement Agreement dated 31 March 1993. While the settlement is subject to a confidentiality agreement, Mr Benson draws attention to Clause 1 of the agreement which has been filed with the Registry on the accepted basis of confidentiality.

48. Mr Benson goes on to refer to 1979 proceedings in Singapore relating to an interlocutory injunction to restrain the applicant from infringing UK Registered Design No. 977999. This application for an injunction was dismissed.

49. Mr Benson also goes on to provide background information in relation to the opponent's application numbers 1352760 and 1352671, which confirms that they are no longer relevant to the Section 5 Ground of the opponent, and draw attention to the decision of the Registry's Hearing Officer in relation to those applications that as at 22 July 1988, the opponent in the present proceedings, had no bona fide intention to use the marks applied for.

50. Next, Mr Benson turns to the opponent's applications under numbers 1559532 and 1559533 which he states, are for all practical intents and purposes identical to the shape mark applied for in the present case, and he confirms that they were refused, pursuant to the judgement of Mr Justice Laddie dated 8 March 2001.

51. In relation to the opponent's earlier trade marks numbers 2124031 and 2174691, Mr Benson explains that the applicant is opposing both these applications on the basis of its earlier trade mark in the form of its application for a Community Trade Mark. Mr Benson also casts doubt upon the opponent's intention to use the marks it has applied for under applications 2124031 and 2174691.

### **Opponent's Evidence in Reply**

52. This comprises five witness statements, one each from Peter David Taylor, Alan John Wicken, Graham Peter Henry Hinton, John Michael Williams and Anthony Harold Gregory.

53. Mr Taylor's witness statement is dated 19 September 2002. He is a solicitor and partner in Clifford Chance, solicitors for the opponent company.

54. Mr Taylor's statement partly relates to a confidential settlement agreement between the parties the contents of which, it has been agreed, are to remain confidential for the purposes of these proceedings.

55. Mr Taylor confirms that the opponent places no reliance upon application numbers 1352760, 1352761, 1559532 and 1559533.

56. Turning to the opponent's UK trade mark applications 2124031 and 2174691, Mr Taylor explains that the opponent's primary position is that the mark applied for by the applicant is not confusingly similar to these two marks of the applicant as these marks contain the word VITAGEN which is the prominent feature of the marks. Mr Taylor adds that the question of

whether or not the opponent intends to use its earlier marks is not an issue under the present opposition.

57. Mr Wicken's witness statement, his second in these proceedings, is dated 31 July 2002.

58. Mr Wicken states that from reading the Statutory Declaration of Professor Leslie de Chernatony and the Witness Statement of Ms Sara Jane Leno, it appears to him that they may be overlooking this important distinction when referring to the results of the surveys carried out by the Applicant in 1997 (the "Applicant's Survey") and the Opponent in 2001 (the "Opponent's Survey"). He says this is because they appear to rely on the "recognition" figures produced in those surveys in order to support the Applicant's claim that the shape of the bottle in which the Applicant's product is sold (the "Yakult Bottle") functions as a trade mark. He adds that for example, in her Witness Statement, Ms Leno states "I note specifically that the Opponent concedes that "most probably about 14% of the adult general public of Great Britain associate the representation of the bottle with the name "Yakult"" and then she repeats her assertion, "that the shape of the mark applied for is 100% distinctive". Professor de Chernatony, refers to the Opponent's Survey as showing that the Yakult brand has the highest level of association with the Yakult bottle, at 18%, whereas the next highest level of association is Actimel, with 8% and states that "this suggests, within the limitations noted, the Yakult container is distinctively associated with the Yakult brand". Mr Wicken states that there is a difference between mere association in the minds of the public between a product's feature and a particular trader, and recognition of that feature as a trade mark. Surveys which ask the public whether they can name any brands of a particular product type (with or without a specific feature, such as a bottle shape) do no more than test association between the product type (and/or feature) and the brand name. They do not, and cannot, measure trade mark significance.

59. Mr Wicken goes on to state that the Opponent's Survey, like the Applicant's Survey, only tested association between the shape of the Yakult Bottle and the name "Yakult". In the Opponent's Survey, approximately 14% of the public associated the shape of the Yakult Bottle with the name "Yakult". It is probable, therefore, that a much lower percentage actually viewed the Yakult Bottle as being exclusive to the Yakult product, and therefore recognised it as having trade mark significance. Therefore, the figure of 14 per cent. should be regarded as the absolute maximum level of trade mark recognition and probably higher than the true figure.

60. Mr Hinton's statement, his second in these proceedings, is dated 9 September 2002. It is a response to the criticisms of his evidence contained in the applicant's evidence, in particular that of Ms Leno and Professor de Chernatony. Turning to the applicant's contention that the YAKULT bottle is associated with a healthy human shape, Mr Hinton states that there has been no attempt to show that and no evidence to support a claim that the shape and health benefit connotation is unique to YAKULT.

61. Mr Williams' statement, his second in these proceedings, is dated 5 August 2002. It is a response to criticisms of his evidence contained in the evidence of the applicant, in particular that of Professor de Chernatony.

62. Mr Gregory's statement is dated 15 August 2002. It is his second statement in these proceedings.

63. Mr Gregory disagrees with the statement in Professor Sparke's evidence on behalf of the applicant, that the strongest visual element of the YAKULT bottle shape is the "horizontal shoulder" and he adds that at the point of sale the purchaser cannot see more than one half bottle at each end of a row of seven shrink wrapped containers and the strongest visual element is the word "Yakult" in red on the printed film wrap. He goes on to say that the "indented waist" is more noticeable than the "horizontal shoulder" and states that an "indented waist" is a common feature for bottles of all types.

64. This completes my summary of the evidence filed in this case. I turn now to the decision.

## **DECISION**

65. Prior to the hearing Mr Kitchen stated that the opponent had decided not to pursue the Section 3(1)(a), Section 3(1)(c), Section 3(2)(a) and Section 3(2)(c) grounds of opposition, as they did not add to the Section 3(1)(b) and Section 3(2)(b) grounds. Consequently only the Section 3(1)(b), Section 3(2)(b) and Section 5(2) grounds remain.

### **Section 3(1)(b)**

66. Firstly, I go to the Section 3(1) ground and the relevant parts of Section 3(1) of the Act which reads as follows:

"3.(1) The following shall not be registered –

- (a) .....
- (b) trade marks which are devoid of any distinctive character,
- (c) .....
- (d) .....

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it."

67. The mark in suit is a composite mark which comprises two main elements – the word Yakult and a three dimensional shape of a container. Both parties were in agreement that the applicant's mark must be considered in its totality.

68. Section 3(1)(b) of the Act provides for refusal of a trade mark on the ground that the mark in question is devoid of any distinctive character. In the application of Section 3(1)(b) I am assisted, in particular, by the principles set out in the following recent decisions – *Cycling IS*....

[2002] RPC 37, *Liberte Group BV v Benelux Markenbureau*, Case C-104/01 and *Linde AG (and others) v Deutsches Patent-und Markenamt*, Joined Cases C-53/01 to C-55/01; which can be summarised as follows:

- (a) the exclusions from registrability contained in Section 3/Article 3 are there to ensure that trade marks whose use could successfully be challenged before the Courts are not registered. The defence available to other traders by virtue of an objection under Section 3(1)(b) operates independently of objections under Section 3(1)(c) (*Cycling IS* .... Paragraph 43-45 and *Linde* paragraphs 67-68);
- (b) for a mark to possess a distinctive character it must identify the product (or service) in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product (or service) from the products (or services) of other undertakings (*Linde* paragraphs 40-41 and 47);
- (c) it is legitimate, when assessing whether a sign is sufficiently distinctive to qualify for registration, to consider whether it can be presumed that independent use of the same sign by different suppliers of goods or services of the kind specified in the application for registration would be likely to cause the relevant class of persons or at least a significant proportion thereof, to believe that the goods or services on offer to them come from the same undertaking or economically-linked undertakings (*Cycling IS* .... Paragraph 53);
- (d) a trade mark's distinctiveness is not to be considered in the abstract but rather by reference to the goods or services in respect of which registration is sought and by reference to the relevant public's perception of that mark (*Libertel* paragraphs 72-77 and *Cycling IS* .... Paragraphs 54-61);
- (e) the relevant public must be deemed to be composed of the average consumer who is reasonably well-informed and reasonably observant and circumspect (*Libertel* paragraph 46 referring to Case C-342/97 *Lloyd Schuhfabrik Meyer*).

69. At the hearing Mr Kitchin submitted that my decision should address the issue of whether or not the components making up the totality of the mark are in themselves distinctive. I agree. The outcome of the Section 3(1)(b) ground must ultimately rest upon whether the mark in suit, in its totality, is distinctive. However, a full and proper approach to this question involves a consideration of the individual elements comprised in the mark and then, taking into account the goods and the customer for the relevant goods, undertaking a global appreciation as to whether the mark meets the requirements laid down by the Act.

70. Firstly, I consider the word YAKULT. It was common ground that this is a distinctive word and I would go so far as to say it is a word possessing a high degree of inherent distinctive character. The evidence filed also goes to show that the word YAKULT has been in use to a considerable degree in the UK in relation to fermented milk drinks. Furthermore, it is prominent and readily visible within the mark in suit. I have no hesitation in finding that the word YAKULT is a highly distinctive and striking element of the mark applied for.

71. Turning to the container upon which the word YAKULT appears, the applicant claims the “bottle” type shape to be distinctive in itself.

72. An application by the current applicant for a three dimensional container of virtually identical appearance (Application No. 2179331) was opposed by the current opponent (Opposition No. 50421) and heard on the same date as the present case. The same evidence was filed by the parties.

73. My decision on the above opposition (Opposition No. 50421) has been issued under reference BL O/050/04 and it considers the case for both prima facie acceptance and acceptance under the proviso to Section 3(1) on the basis of acquired distinctiveness. In my decision I found that the container was devoid of distinctive character and the Section 3(1)(b) ground of opposition was successful. I do not intend to set out my reasons in full again here but, for ease of reference a copy of the relevant decision is attached at Annex Two to this decision.

74. In the current case, there is a slight difference in the container from that applied for under Application No. 2179331 in that the container presently before me does not have a cap on the top and a “top lip” is accordingly visible. Neither party placed any emphasis or reliance on this point and I do not consider it material to the outcome.

75. For the reasons set out in full in decision BL O/050/04 I find that the container element of the mark in suit to be, in itself, devoid of distinctive character.

76. However, taking the mark in suit as a whole it seems to me that the presence and prominence of the distinctive word YAKULT is sufficient to enable the customer for the relevant goods (the public at large) to perceive the mark applied for as being origin specific.

77. In my view the mark as a whole possesses distinctive character and the opposition under Section 3(1)(b) of the Act fails.

### **Section 3(2)(b)**

78. I now turn to the ground of opposition under Section 3(2)(b), which reads as follows:

“A sign shall not be registered as a trade mark if it consists exclusively of –

(a) .....

(b) the shape of goods which is necessary to obtain a technical result;

(c) .....”

79. The interpretation of the corresponding European Council Directive was considered by the European Court of Justice in *Philips Electronics NV v Remington Consumer Products Ltd* [2003]



RPC 2 at pages 14 to 30. The Court's findings at paragraphs 77 to 84 are of particular relevance and read as follows:

- “77 The various grounds for refusal of registration listed in Article 3 of the Directive must be interpreted in the light of the public interest underlying each of them (see, to that effect, *Windsurfing Chiemsee*, paragraphs 25 to 27).
- 78 The rationale of the grounds for refusal of registration laid down in Art.3(1)(e) of the Directive is to prevent trade mark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors. Art.3(1)(e) is thus intended to prevent the protection conferred by the trade mark right from being extended beyond signs which serve to distinguish a product or service from those offered by competitors, so as to form an obstacle preventing competitors from freely offering for sale products incorporating such technical solutions or functional characteristics in competition with the proprietor of the trade mark.
- 79 As regards, in particular, signs consisting exclusively of the shape of the product necessary to obtain a technical result, listed in Art.3(1)(e), second indent, of the Directive, that provision is intended to preclude the registration of shapes whose essential characteristics perform a technical function, with the result that the exclusivity inherent in the trade mark right would limit the possibility of competitors supplying a product incorporating such a function or at least limit their freedom of choice in regard to the technical solution they wish to adopt in order to incorporate such a function in their product.
- 80 As Art.3(1)(e) of the Directive pursues an aim which is in the public interest, namely that a shape whose essential characteristics perform a technical function and were chosen to fulfil that function may be freely used by all, that provision prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (see, to that effect, *Windsurfing Chiemsee*, paragraph 25).
- 81 As to the question whether the establishment that there are other shapes which could achieve the same technical result can overcome the ground for refusal or invalidity contained in Art.3(1)(e), second indent, there is nothing in the wording of that provision to allow such a conclusion.
- 82 In refusing registration of such signs, Art.3(1)(e), second indent, of the Directive reflects the legitimate aim of not allowing individuals to use registration of a mark in order to acquire or perpetuate exclusive rights relating to technical solutions.
- 83 Where the essential functional characteristics of the shape of a product are attributable solely to the technical result, Art.3(1)(e), second indent, precludes registration of a sign consisting of that shape, even if that technical result can be achieved by other shapes.
- 84 In the light of those considerations, the answer to the fourth question must be that Art.3(1)(e), second indent, of the Directive must be interpreted to mean that a sign consisting exclusively of the shape of a product is unregistrable by virtue thereof if it is established that the essential functional features of that shape are attributable only to the technical result. Moreover, the ground for refusal or

invalidity of registration imposed by that provision cannot be overcome by establishing that there are other shapes which allow the same technical result to be obtained.”

80. As with the Section 3(1)(b) ground, Section 3(2)(b) requires the mark to be considered in its totality and at the hearing I pointed out to Mr Kitchin that the word YAKULT appeared, at face value, to be a distinctive and dominant component within the mark as a whole. Mr Kitchin requested that my decision address whether or not the components making up the totality of the mark, including the container element, are in themselves exclusively the shape of goods necessary to obtain a technical result. I agreed this was appropriate.

81. Application No. 2179331, opposed under No. 50421 (see above) also considered a Section 3(2)(b) ground of opposition. In my decision issued under reference BL O/050/04 (Annex Two to this decision) I found that the container does not consist exclusively of the shape of goods which is necessary to obtain a technical result and for the same reasons I make the same finding in the current case, notwithstanding the slight difference in the respective containers which, it seems to me (and it has not been submitted otherwise), has no material effect upon the outcome.

82. I would add that the word YAKULT is a distinctive and striking component which, in itself, means that the mark in suit cannot consist exclusively of the shape of goods which is necessary to obtain a technical result.

83. The opposition under Section 3(2)(b) of the Act fails.

### **Section 5(2)**

84. Section 5(2) of the Act reads as follows:

“5.-(2) A trade mark shall not be registered if because -

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

85. An earlier right is defined in Section 6, the relevant subsections of which state:

“6.-(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than

that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

- (b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or
- (c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

86. In his skeleton argument and at the hearing Mr Kitchen made it clear that the opponent’s primary case is that the mark in suit is not confusingly similar to the opponent’s earlier registrations and he referred to the witness statement of Mr Taylor in relation to this point – paragraph 56 of this decision refers. In the opponent’s view the word VITAGEN is the prominent and distinctive feature of the opponent’s mark and the container element is not distinctive.

87. Mr Kitchen went on to submit that the relative grounds objection in this case was only relevant if, in relation to the opponent’s application numbers 2124031 and 2174691, opposed by the current application under numbers 80369 and 80368 (and heard on the same day as the current proceedings) it is concluded that their ground of opposition under Section 5(2) succeeds.

88. In my decisions on those oppositions, issued under reference numbers BL O/052/04 and BL O/053/04, I decided that the Section 5(2) grounds of opposition failed because the respective marks were not similar and there was no likelihood of confusion. Accordingly, in light of the opponent’s submissions I have no need to address the Section 5(2) ground in the current opposition as the opponent accepts that it cannot succeed.



## **COSTS**

89. The applicant is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of £1,700. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 10<sup>th</sup> day of March 2004**

**JOHN MacGILLIVRAY  
For the Registrar  
the Comptroller-General**

## ANNEX ONE

Application No.	Mark	Search Significant Date	Specification of Goods
2124031		18 February 1997	<p><b>Class 29:</b> Eggs, milk and dairy products; beverages having a milk base.</p> <p><b>Class 32:</b> Mineral waters, aerated waters, non-alcoholic drinks, syrups and preparations for making drinks.</p>
2174691	 <p>Mark description:</p> <p>The mark consists of a three dimensional shape with the words "Vitagen" appearing on it.</p>	12 August 1998	<p><b>Class 29:</b> Eggs, milk and dairy products; beverages having a milk base.</p> <p><b>Class 30:</b> Coffee; tea; cocoa; artificial coffee; artificial tea; beverages based on or flavoured with coffee, tea, chocolate or cocoa.</p> <p><b>Class 32:</b> Mineral waters, aerated waters, non-alcoholic drinks, syrups and preparations for making drinks.</p>

ANNEX TWO IS NOT ATTACHED BUT IS AVAILABLE AS O/050/04